

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

Case No.: 9:24-cv-80722-DPG

DANIEL J. STERMER, as Receiver for
NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
CENTURION ISG SERVICES, LLC
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTEGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC,
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,

Plaintiffs,

vs.

WELLS FARGO BANK, N.A.

Defendant.

_____/

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

v.

CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
CENTURION INSURANCE SERVICES GROUP, LLC,
BRIAN J. SCHWARTZ,
EMERALD ASSETS 2018, LLC,

INTEGRITY ASSETS 2016, LLC,
INTEGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC,
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP, LLC,
CENTURION FUNDING SPVI LLC,
CENTURION FUNDING SPV II LLC,
GRACE HOLDINGS FINANCIAL, LLC,
PRIME SHORT TERM CREDIT INC.,

Defendants.

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

_____ /

**DEFENDANT WELLS FARGO BANK, N.A.'S MOTION TO DISMISS
COMPLAINT WITH INCORPORATED MEMORANDUM OF LAW**

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Defendant Wells Fargo Bank, N.A. (“Wells Fargo”), pursuant to Federal Rule of Civil Procedure 12(b)(1) and (6), moves to dismiss with prejudice the Complaint filed by Plaintiff Daniel J. Stermer (the “Receiver”), as Receiver for National Senior Insurance, Inc. d/b/a Seeman Holtz (“NSI”), Centurion ISG Services, LLC, Emerald Assets 2018, LLC, Integrity Assets 2016, LLC, Integrity Assets, LLC, Para Longevity 2014-5, LLC, Para Longevity 2015-3, LLC, Para Longevity 2015-5, LLC, Para Longevity 2016-3, LLC, Para Longevity 2016-5, LLC, Para Longevity 2018-3, LLC, Para Longevity 2018-5, LLC, Para Longevity 2019-3, LLC, Para Longevity 2019-5, LLC, Para Longevity VI, LLC, SH Global, LLC n/k/a Para Longevity V, LLC (collectively, the “Non-NSI Entities”) (NSI and the Non-NSI Entities referred to collectively as the “Receivership Entities”).

INTRODUCTION

This lawsuit is one of two suits before this Court alleging the same facts and seeking from the same defendant the same damages suffered by the same investors. This suit is brought by the receiver of companies allegedly created and used to perpetrate a Ponzi scheme; the other suit is a putative class action brought on behalf of investors allegedly defrauded by those companies. The Receiver, however, does not have standing to seek damages sustained by the investors, and his duplicative claims must therefore be dismissed.

Substantively, the Receiver’s Complaint attempts to hold Wells Fargo responsible for the acts of purported Ponzi schemers, Marshall Seeman, Eric Holtz, and Brian Schwartz. The Receiver targets Wells Fargo because it provided routine banking services to the Receivership Entities. But the Receiver does not allege Wells Fargo or any of its employees operated or actually knew about the scheme, much less benefitted from it. Rather, the Receiver contends Wells Fargo or its employees should have known what the schemers were allegedly doing because of its position as the Receivership Entities’ bank. According to the Receiver, because Wells Fargo did

not put a stop to the alleged fraud, it is now to be held liable under theories of aiding and abetting fraud and breach of fiduciary duty, negligence, and unjust enrichment.

For the aiding and abetting claims, the Receiver must plead Wells Fargo had “actual knowledge” of the Ponzi scheme. Merely alleging that Wells Fargo “knew or should have known” about the scheme due to purportedly atypical transactions, or that Wells Fargo did not follow applicable standards of care, does not establish the requisite actual knowledge. To the contrary, Eleventh Circuit precedent requires dismissal of such claims that rely entirely on supposedly atypical transactions and red flags. Indeed, the Receiver actually alleges that Wells Fargo failed to detect the scheme and was “ignorant” to the same red flags he purports to rely upon to show actual knowledge. Such allegations are at odds with the requirement of actual knowledge. The Receiver also fails to plead the underlying fraud with the requisite particularity.

With respect to the negligence and unjust enrichment claims, both fail because of the banking relationship between Wells Fargo and the Receivership Entities. This banking relationship is contractual as a matter of Florida law, and there are account agreements governing the services performed. These contracts foreclose claims for torts that are not independent of the contracts, as well as equitable claims with adequate contractual remedies.

Lastly, the unjust enrichment claim should also be dismissed because the Receiver fails to allege any direct benefit conferred on Wells Fargo. Instead, the Receiver seeks to recover the account services fees paid to Wells Fargo on behalf of the Receivership Entities, which do not qualify as direct benefits as a matter of law. For these reasons, the Receiver’s claims should be dismissed with prejudice.

FACTUAL ALLEGATIONS¹

This lawsuit stems from a Ponzi scheme orchestrated by Marshall Seeman (“Seeman”), Eric Holtz (“Holtz”), and Brian Schwartz (“Schwartz,” collectively with Seeman and Holtz referred to as the “Perpetrators”). Compl. ¶ 1. Seeman and Holtz created dozens of companies to seek funds from investors to purchase life insurance policies and pay policy premiums. Compl. ¶¶ 49, 50, 51, 68, 89, 94; *see also* Compl. ¶¶ 11, 12. These funds were used to hold and manage life insurance policies, but also to pay interest to other investors and for expenses, and to meet obligations on various credit agreements for which the life insurance policies also served as collateral. Compl. ¶¶ 68, 89, 91; *see also* Compl. ¶¶ 8. The Ponzi scheme allegedly resulted in the loss of more than \$300 million by investors, involving over \$378 million in transfers to and from the various entities involved in the Ponzi Scheme. Compl. ¶¶ 1, 64, 138, 245.

The Receivership Entities maintained fifteen accounts at Wells Fargo that were involved here. Compl. ¶ 245. These accounts produced “interest, transfer fees, service fees, transaction fees and online banking fees,” Compl. ¶¶ 251, 252, *see also* Compl. ¶¶ 230, 240, in exchange for “banking services” provided by Wells Fargo, including the “opening, operation, maintenance and management of the [Receivership Entities’] accounts.” Compl. ¶¶ 245, 246.

The Receiver alleges that it is “undeniable” that Wells Fargo was ignorant of red flags relating to the transactions and “fail[ed] to detect...the scheme” altogether. Compl. § V, ¶ 189. Nevertheless, the Receiver hedges that Wells Fargo “knew, or *should have known*” of the Ponzi scheme. *See* Compl. ¶¶ 113, 126, 194, 208, 211 (emphasis added); *see also* Compl. ¶¶ 190, 216–218.

¹ For this Motion, Wells Fargo is required to accept as true the Receiver’s allegations that the Perpetrators operated a Ponzi scheme. Wells Fargo does not concede that the Receiver can prove as much if the case moves past the pleading stage.

The Ponzi scheme was “uncovered” in 2021 when the Florida Office of Financial Regulations (the “OFR”) filed a Complaint for Temporary and Permanent Injunction, Appointment of Receiver, Restitution, Civil Penalties, and Other Statutory and Equitable Relief, (the “OFR Complaint”). Compl. ¶¶ 5, 34; *see also* Compl. ¶¶ 35–36. In connection with the OFR Complaint and litigation, the OFR filed a Consent Motion for Appointment of Corporate Monitor (the “Consent Motion”), resulting in the Receiver’s appointment. Compl. ¶¶ 37–41.

The Receiver brings claims on behalf of the Receivership Entities, including the fourteen Non-NSI Entities, which were all controlled or managed by the Perpetrators. Compl. ¶¶ 36, 80, 91, 199. The Non-NSI Entities were created solely to perpetrate the fraud in the Ponzi scheme and conducted no legitimate business activities. Compl. ¶¶ 12, 11, 49, 50, 51, 68, 89.

The Receiver claims Wells Fargo aided and abetted Seeman and Holtz’s breach of fiduciary duties (Count I); aided and abetted Seeman and Holtz’s fraud (Count II); was negligent in its monitoring and management of the Receivership Entities’ accounts (Count III); and was unjustly enriched by account fees it earned on the Receivership Entities’ bank accounts (Count IV). Compl. For the reasons discussed below, the Complaint should be dismissed with prejudice because the Receiver has no standing to pursue claims against Wells Fargo and the Complaint fails to state a plausible claim for relief.

MEMORANDUM OF LAW

I. Standard of Review

To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to “state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *DeVito v. Palm Beach Cnty.*, 2023 U.S. Dist. LEXIS 179674, at *5 (S.D. Fla. Oct. 2, 2023)

(quoting *Iqbal*, 556 U.S. at 678). “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements” are insufficient. *Iqbal*, 556 U.S. at 678. “A complaint must also contain enough facts to indicate the presence of the required elements.” *Chavez v. Am. Coach Lines of Miami, Inc.*, 2010 U.S. Dist. LEXIS 162640, at *4 (S.D. Fla. Aug. 19, 2010) (Moore, M.). Although a court must accept all well-pleaded factual allegations as true, it need not accept “conclusory allegations, unwarranted deductions of fact or legal conclusions masquerading as facts.” *Id.* (quoting *Oxford Asset Mgmt., Ltd. v. Jaharis*, 297 F.3d 1182, 1188 (11th Cir. 2002)).

The pleading burden is even greater when claims of fraud are involved, which “must comply with Rule 9(b)’s heightened pleading standards.” *Banc of Am. Sec. LLC v. Stott*, 2005 U.S. Dist. LEXIS 58570, at *13 (S.D. Fla. Aug. 29, 2005). A complaint satisfies this heightened standard when it alleges: “(1) precisely what statements were made in what documents or oral representations or what omissions were made, and (2) the time and place of each such statement and the person responsible for making (or, in the case of omissions, not making) same, and (3) the content of such statements and the manner in which they misled the plaintiff, and (4) what the defendants ‘obtained as a consequence of the fraud.’” *Brooks v. Blue Cross & Blue Shield*, 116 F.3d 1364, 1371 (11th Cir. 1997) (quoting *Fitch v. Radnor Industries, Ltd.*, 1990 U.S. Dist. LEXIS 13023 (E.D. Pa. Sept. 27, 1990)). This heightened standard applies to a claim for aiding and abetting fraud. *Am. United Life Ins. Co. v. Martinez*, 480 F.3d 1043, 1065–67 (11th Cir. 2007); *Tuckman v. Wells Fargo Bank, N.A.*, 2020 U.S. Dist. LEXIS 256846, at *15 (S.D. Fla. Mar. 25, 2020) (dismissing aiding and abetting claims that were “without specificity”).

II. The Receiver Lacks Standing to Bring Claims on Behalf of the Non-NSI Entities Seeking Damages Incurred by Investors²

The Receiver alleges that this “is an action against Wells Fargo for aiding and abetting a Ponzi scheme orchestrated by the Perpetrators resulting in the loss of more than \$300,000,000 to more than a thousand victims, many of whom were elderly, retired, and/or unaccredited investors.” Compl. ¶ 1. But the Receiver does not represent the alleged investors and does not have standing to bring tort claims on behalf of entities created solely to perpetrate the alleged fraud, as those entities suffered no damages as a matter of law. Indeed, “[i]t is axiomatic that a receiver obtains only the rights of action and remedies that were possessed by the person or corporation in receivership . . . and is *not* the class representative for creditors and cannot pursue claims owned directly by the creditors.” *Isaiah*, 960 F.3d at 1306 (emphasis added). And a receiver does not have standing to bring common law tort claims on behalf of receivership entities if it is alleged that the entities were “wholly dominated by persons engaged in wrongdoing” and that the entities did not engage in any legitimate activities. *Wiand v. ATC Brokers Ltd.*, 96 F.4th 1303, 1311 (11th Cir. 2024). This case is no different than *Isaiah* and its Eleventh Circuit progeny, and the Non-NSI Entities’ claims must therefore be dismissed.³

In *Isaiah*, the court-appointed receiver brought common law tort claims against a bank for the recovery of funds diverted from the receivership entities’ bank accounts as part of an alleged

² The only Receivership Entity alleged to have conducted legitimate business activities at any point is NSI. See Compl. ¶ 48 (Seeman and Holtz bought and sold life insurance through NSI); ¶ 49 (“NSI was a preeminent insurance agency with a significant stream of legitimate revenue.”); ¶ 133 (Perpetrators stole and misused “funds of the legitimate Receivership Entities, i.e., NSI”). For this reason, Wells Fargo is not moving to dismiss NSI’s claims for lack of standing, although the claims brought on behalf of NSI fail for the other reasons stated in this motion.

³ Wells Fargo moves to dismiss the Receiver’s claims for lack of standing under both Rule 12(b)(1) and (6). See *Perlman v. PNC Bank*, 38 F. 4th 899, 901 (11th Cir. 2022) (affirming dismissal of receiver’s claims for lack of standing under Rule 12(b)(1)); *Isaiah v. JPMorgan Chase Bank, N.A.*, 960 F.3d 1296, 1300 (11th Cir. 2020) (affirming dismissal of receiver’s claims for lack of standing under Rule 12(b)(6)).

Ponzi scheme. *Id.* at 1300. The receiver alleged that the bank facilitated the scheme by allowing fraudulent activities to take place “despite [the bank’s] alleged awareness of suspicious banking activity on those accounts.” *Id.* at 1300. On appeal, the Eleventh Circuit found that the receiver did not have standing. *Id.* at 1306. Because Isaiah alleged that the receivership entities “were wholly dominated by persons engaged in wrongdoing,” did not conduct “any legitimate activities,” and did not have “at least one honest member of the board of directors or an innocent stockholder,” the torts of the wrongful actors could not be separated from the receivership entities. *Id.* at 1307. As such, the receivership entities themselves were seen to have caused their injuries. *Id.* at 1307; *Freeman v. Dean Witter Reynolds, Inc.*, 865 So. 2d 543, 551 (Fla. 2d DCA 2003). Only the customers were injured by the Ponzi scheme and, thus, the receiver did not have standing to pursue claims on behalf of the receivership entities. *Id.*; *see also Wiand*, 96 F. 4th at 1311 (“So if Wiand admits that Oasis was ‘wholly dominated by persons engaged in wrongdoing,’ and if his complaint is ‘devoid of any allegation’ that Oasis ‘engaged in any legitimate activities,’ then Wiand lacks standing to bring any common law tort claims”).

Similarly, the Receiver here lacks standing to sue Wells Fargo for common law tort claims related to the alleged Ponzi scheme because the fourteen Non-NSI Entities suffered no damages. *See Perlman v. PNC Bank, N.A.*, 38 F. 4th 899, 904 (11th Cir. 2022). First, as in *Isaiah*, the Non-NSI Entities here were “wholly dominated” by the Perpetrators. *Isaiah*, 960 F.3d at 1306. The Complaint here alleges that Seeman, Holtz, and Schwartz “created and operated a myriad of corporate entities,” Compl. ¶ 36, used “funds from new investors to pay old investors,” Compl. ¶ 91, “funded the purchases of life insurance policies,” Compl. ¶ 199, and “primarily managed the

relationships with Wells Fargo.” Compl. ¶ 80. Further, the Consent Motion⁴ states that Seeman and Schwartz “either individually or together, and either directly or indirectly, control the [Receivership Entities].” Consent Mot., at ¶ 5. Similarly, the OFR Complaint notes that the purpose of the OFR litigation was “to halt the securities fraud scheme and common enterprise operated *and controlled* by [Seeman and Holtz].” OFR Compl. ¶ 1 (emphasis added); *see also* OFR Compl. ¶¶ 26–41 (listing out the Receivership Entities controlled either by the Perpetrators themselves or by another entity controlled by the Perpetrators). No other individual is alleged to have such control over the Non-NSI Entities.

Second, the Receiver’s allegations are clear that the Non-NSI Entities did not conduct “any legitimate activities.” The Complaint alleges that Seeman and Holtz “created the Para Longevity Companies and non-Receivership Para Longevity Companies to solicit funds from investors,” Compl. ¶ 51, but instead of using the funds for legitimate purposes, the funds “were used to pay back investors in earlier Para Longevity Companies and non-Receivership Para Longevity Companies.” Compl. ¶ 12. The Complaint further alleges that the non-NSI Entities “comingled and transferred investor money between the Wells Fargo bank accounts without any legitimate purpose or financial arrangement,” Compl. ¶ 11, and the proceeds from the non-NSI Entities’ note

⁴ While courts generally “do not consider anything beyond the face of the complaint and documents attached thereto when analyzing a motion to dismiss[,]” they recognize an exception when “[1] a plaintiff refers to a document in its complaint, [2] the document is central to [her] claim, [3] its contents are not in dispute, and [4] the defendant attaches the document to its motion to dismiss.” *Fuller v. Suntrust Banks, Inc.*, 744 F.3d 685, 695–96 (11th Cir. 2014) (citing *Fin. Sec. Assurance, Inc. v. Stephens, Inc.*, 500 F.3d 1276, 1284 (11th Cir. 2007)). Each requirement is satisfied here. The Receiver refers to both the Consent Motion and the OFR Complaint in his Complaint, and even devotes a full section to the OFR Complaint. *See* Compl. ¶¶ 34–36, 37. Further, there can be no dispute regarding the authenticity of the documents, which were filed in Florida Circuit Court. *See id.* at 696 (a document is “undisputed” when its authenticity is not challenged, such as when a document is “recorded or filed in a public office as authorized by law.”) (citing Fed. R. Evid. 901(b)(7)). And lastly, since Wells Fargo has attached the documents here, the Court may consider them in this Motion. *See* Ex. A, B.

sales “diverted to the Centurion Companies, were without consideration . . . , lacked any written loan or repayment agreements, and were not repaid.” Compl. ¶ 89. Thus, as alleged, the Non-NSI Entities were nothing but “sham corporation[s] created as the centerpiece of a Ponzi scheme.”⁵ *Freeman*, 865 So. 2d at 552.

Lastly, the Non-NSI Entities did not have “at least one honest member of the board of directors or an innocent stockholder.” While the Complaint alleges that Hodge was a “conservative” in-house counsel that surely “would have stopped” the scheme if given the opportunity, Compl. ¶¶ 74, 77, 82, this conclusory statement does not allege that Hodge was an “honest” director or “innocent stockholder” of the Non-NSI Entities as required under *Isaiah*. *Isaiah*, 960 F.3d at 1307. Thus, “the [the Perpetrators’] torts cannot properly be separated from the Receivership Entities,” and the Receiver does not have standing to assert claims on behalf of such entities. *Id.*; *Perlman*, 38 F. 4th at 904.⁶

III. Counts I and II Fail to State Claims for Aiding and Abetting Liability

Substantively, the Receiver claims in Counts I and II that Wells Fargo aided and abetted Seeman and Holtz’s breaches of fiduciary duties and fraud. Compl. ¶¶ 221–243. To state an aiding and abetting claim, the Receiver must allege “(1) an underlying violation on the part of the primary wrongdoer; (2) knowledge of the underlying violation by the alleged aider and abettor;

⁵ In contrast, the allegations portray NSI as a “legitimate business[,],” *see also* Compl. ¶¶ 49, 50 (noting that NSI had a “significant stream of legitimate revenue”), that had funds diverted to the non-NSI Entities to “perpetrate the Ponzi Scheme.” Compl. ¶ 68.

⁶ Even if this Court concludes the Receiver has adequately alleged the existence of an honest director or innocent shareholder, “the receiver still lacks standing when the now-receivership estate ‘was *controlled* exclusively by persons engaging in its fraudulent scheme.’” *Wiand*, 96 F.4th at 1311 (finding that the receiver lacked standing even when there were six innocent shareholders because none of those individuals “exercised any decision-making power” (emphasis in original)); *see also Freeman v. Dean Witter Reynolds, Inc.*, 865 So. 2d 543, 551 (Fla. 2d DCA 2003). The Perpetrators are the only individuals alleged to have had any control of or authority in the Non-NSI Entities. *See* Compl. ¶¶ 36, 80, 91, 199.

and (3) the rendering of substantial assistance in committing the wrongdoing by the alleged aider and abettor.” *Tuckman*, 2020 U.S. Dist. LEXIS 256846, at *13 (citing *Lawrence v. Bank of Am., N.A.*, 455 F. App’x 904, 906 (11th Cir. 2012)). The Receiver fails to state a claim in Counts I and II because he has not alleged facts establishing actual knowledge.

When a claim for aiding and abetting is asserted against a bank, “knowledge of the underlying fraud is the crucial element.” *Rosenfeld Gallery, LLC v. Truist Bank*, 2024 U.S. Dist. LEXIS 34147, at *10 (S.D. Fla. Feb. 28, 2024) (quoting *Rusty115 Corp. v. Bank of Am., N.A.*, 2023 U.S. Dist. LEXIS 165584 (S.D. Fla. Sep. 18, 2023)). Simply alleging atypical transactions is insufficient to plead the actual knowledge element of aiding and abetting. *Otto Candies, LLC v. Citigroup, Inc.*, 2023 U.S. Dist. LEXIS 168612, at *22–23 (S.D. Fla. Aug. 25, 2023) (plaintiffs did not sufficiently allege actual knowledge by merely suggesting that defendant “disregarded red flags or atypical activities or transactions”); *Lawrence*, 455 F. App’x at 907 (allegations of “numerous deposits, withdrawals, and wire transfers involving large amounts of money” were “insufficient under Florida law to trigger liability” based on actual knowledge).

A. The Receiver’s conclusory allegations that Wells Fargo had actual knowledge are insufficient.

First, the Complaint repeatedly alleges that Wells Fargo “knew or should have known” about the Ponzi scheme because of the suspicious actions and transactions that were occurring. Compl. ¶¶ 113, 126, 194, 208, 211; *see also* Compl. ¶¶ 190, 216–218 (simply alleging that Wells Fargo “knew” certain facts about the ongoing transactions and accounts without tying any such knowledge to the Ponzi scheme). However, these bare, and hedged, conclusions of “knowledge” are legally insufficient as a matter of law. *See Peng v. Mastroinni*, 2021 U.S. Dist. LEXIS 86220, at *3 (S.D. Fla. May 3, 2021) (“The conclusory statement ‘[t]he Regional Center and the Developer, with knowledge of Mastroianni and the General Partner’s breaches of fiduciary duty,

aided and abetted, provided substantial assistance, and encouraged those breaches of duty’ ... does not present any facts from which a claim for aiding and abetting can be plausibly supported.”); *Ajwani v. Carnival Corp.*, 2024 U.S. Dist. LEXIS 51257, at *7 (S.D. Fla. Mar. 22, 2024) (conclusory allegations without any specific detail about *how* defendant knew or should have known are insufficient to plausibly allege actual or even constructive notice).

Moreover, when it comes to specifics, the Receiver candidly admits that Wells Fargo did not knowingly assist the scheme, which undermines his conclusory knowledge allegations. For example, in a section titled “Wells Fargo’s Ignorance of Red Flags and Failure to Conduct Due Diligence Substantially Assisted the Scheme,” Compl. § V, the Complaint alleges that, “[d]espite all of the procedures, protocols, ‘red flag’ compliance rules, and regulatory requirements, all of which would have detected and prevent [sic] the perpetuation of the Para Longevity Scheme, Wells Fargo’s *abject failures to detect ... the scheme* are undeniable.” Compl. ¶ 189 (emphasis added). Indeed, the Receiver goes so far as to fault Wells Fargo’s lack of awareness, claiming that, “[h]ad Wells Fargo paid attention to the persistent red flags, complied with its duties, or conducted any meaningful due diligence, the Ponzi scheme would not have grown to catastrophic levels.” Compl. ¶ 220. The Receiver similarly alleges that Wells Fargo failed to identify some of the alleged red flags. *See* Compl. ¶ 207 (“Wells Fargo should have identified these grossly inadequate disclosures as a red flag.”). By calling out Wells Fargo’s ignorance and lack of awareness, the Receiver has pled facts that foreclose his aiding and abetting claims.

It is hardly surprising that Wells Fargo, an outsider to the Seeman Holtz businesses, was unaware of the alleged scheme, because one or more Seeman Holtz insiders were apparently also unaware. The Receiver alleges that in-house counsel Hodge had no knowledge of the Ponzi scheme despite his role in negotiating various contracts and “ensuring general legal compliance”

with those contracts. Compl. ¶¶ 33, 73, 79, 81. The Receiver’s conclusory allegations that Wells Fargo knew of the Ponzi scheme cannot be reconciled with the very allegations that the fraudsters apparently pulled the wool over the eyes of their own in-house counsel and that Wells Fargo failed to detect red flags and other supposed indicia of fraud. Thus, the Receiver fails to adequately allege facts showing that Wells Fargo had actual knowledge of the alleged scheme.

The Receiver further improperly relies on the existence of atypical transactions and Know Your Customer obligations to establish that Wells Fargo had actual knowledge of the Ponzi scheme, allegations that are wholly insufficient.

i. The Receiver’s allegations regarding atypical transactions are insufficient to establish actual knowledge.

“Alleging that a bank disregarded ‘red flags’ such as ‘atypical activities’ on a customer’s account is insufficient to establish knowledge.” *Lamm v. State Street Bank & Trust*, 749 F.3d 938, 950 (11th Cir. 2014); *Isaiah*, 2017 U.S. Dist. LEXIS 190051, at *7. “To be liable, the bank would have had to have actual knowledge of [its customer’s] fraudulent activities,” and “allegations [of atypical banking transactions] simply fail to make that ‘plausible.’” *Meridian Trust Co. v. Batista*, 2018 U.S. Dist. LEXIS 166556, at *14 (S.D. Fla. Sept. 24, 2018) (citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)); see also *Perlman*, 559 F. App’x at 993 (holding that allegations of “atypical transactions and procedural oddities, including: [the schemer’s] opening of various accounts, numerous transfers amongst the accounts within short time periods, thousands of deposits of even dollar amounts, [and] large cash deposits and withdrawals” did not raise a plausible inference that the bank had actual knowledge).

The Receiver’s lengthy allegations of atypical transactions fall short of showing actual knowledge. Specifically, these allegations include purported red flags such as “5,100 transfers” between the companies, “transfers of funds among related accounts,” consolidating funds from

several accounts into one, account holders sharing the same address, Compl. ¶ 138, and a significant number of overdraft notifications, Compl. ¶ 214. Even if “red flags” could establish actual knowledge as a matter of law, the facts the Receiver characterizes as “red flags” do not appear to be very remarkable when viewed in context of other allegations. The Receivership Entities opened 29 accounts at Wells Fargo, which remained active for over 10 years, Compl. ¶¶ 118, 119, a lengthy period of time during which various entities apparently engaged in the insurance business directed numerous transactions such that, contrary to the Receiver’s stilted characterizations, it would actually be typical to see high numbers of transfers, withdrawals, and account activity. While these “red flags” allegedly were indicative of unusual account activity, they are insufficient to show actual knowledge of a Ponzi scheme.

ii. The Receiver’s allegations concerning Wells Fargo’s failure to adhere to policies and regulations do not establish actual knowledge.

Next, the Receiver asserts that Wells Fargo “knew, or should have known” about the Ponzi scheme because of Wells Fargo’s duties under the Bank Secrecy Act and anti-money laundering statutes and regulations, such as Wells Fargo’s “Know Your Customer” obligations. Compl. ¶¶ 6, 215, 218; *see also* Compl. ¶¶ 120, 127, 136, 201. These are the type of standard of care allegations that do not suffice in Ponzi cases against banks. *See, e.g., Isaiah*, 2017 U.S. Dist. LEXIS 190051, at *7–8 (“Allegations that a bank failed to adhere to an appropriate standard of care or to follow relevant policies, procedures, or regulations are likewise insufficient to demonstrate actual knowledge for the purposes of an aiding and abetting claim.”); *Gilbert & Caddy, P.A. v. JP Morgan Chase Bank, N.A.*, 2015 U.S. Dist. LEXIS 194142, at *11 (S.D. Fla. Aug. 20, 2015) (“[M]erely providing access to Plaintiff’s accounts in contravention of reasonable care, due diligence, and industry standards does not give rise to an inference of actual knowledge of Sacks’

purportedly fraudulent scheme.”).⁷ The Receiver’s effort to impugn Wells Fargo’s adherence to routine procedures and regulations does not suffice to establish the bank’s knowledge of a Ponzi scheme.

B. The Receiver fails to plead the underlying fraud with particularity.

The aiding and abetting fraud claim further fails because the Complaint fails to set forth specific allegations establishing the elements of the underlying fraud on the investors. In Florida, a claim for fraud requires showing: “(1) a false statement concerning a material fact; (2) knowledge by the person making the statement that the representation is false; (3) the intent by the person making the statement that the representation will induce another to act on it; and (4) reliance on the representation to the injury of the other party.” *Muhammad v. Citimortgage, Inc.*, 598 Fed. Appx. 636, 639 (11th Cir. 2015).

While the Receiver lists actions that he alleges formed the basis of the Perpetrators’ fraud on the investors, *see* Compl. ¶ 233, the Complaint does not do so with particularity as required under Rule 9(b). *See Gilbert & Caddy, P.A.*, 2015 U.S. Dist. LEXIS, at *8 (though the complaint provided “a detailed factual recitation of the circumstances leading up to Plaintiff’s financial loss,” such allegations did not satisfy a claim for aiding and abetting fraud because they failed to identify statements or representations that were utilized in committing fraud, when any statements were made, and how they were misleading). The Complaint does not set forth content of any fraudulent

⁷ *See also Berman v. Morgan Keegan & Co.*, 455 F. App’x 92, 95–96 (2d Cir. 2012) (“‘Know Your Customer’ obligations are, standing alone, far from sufficient to support a strong inference that it had actual knowledge of [the] fraud”); *Liu Yao-Yi v. Wilmington Tr. Co.*, 301 F. Supp. 3d 403, 420 (W.D.N.Y. 2017) (“Plaintiffs’ assertion that Defendant’s . . . obligation to ‘know their customers’ made it aware of the alleged wrongful conduct, at most, could only create a plausible inference of constructive knowledge of potential misconduct.”) (citation omitted); *Rosner v. Bank of China*, 528 F. Supp. 2d 419, 427 (S.D.N.Y. 2008) (allegations of bank’s failure to comply with KYC and anti-money laundering laws “do not elevate [the bank’s] actions into the realm of ‘substantial assistance’”).

statements, who had knowledge of such statements and how they relied upon them to their detriment. *See Otto Candies, LLC v. Citigroup, Inc.*, 2023 U.S. Dist. LEXIS 168612, at *10 (S.D. Fla. Aug. 25, 2023) (finding it insufficient for a claim of aiding and abetting fraud that plaintiffs merely alleged “vague and conclusory statements that they suffered damages/injuries” as a result of relying on defendant’s purported misrepresentations). Nor does the Complaint allege “the time and place” when such statements or actions were purportedly made or taken. Such pleading does not satisfy the heightened requirements of Rule 9(b).

Count II for aiding and abetting fraud also fails because the Receiver must allege that Wells Fargo knew about the underlying torts. *See Isaiah*, 2017 U.S. Dist. LEXIS 190051, at *7 (finding that “the Receiver did not adequately plead actual knowledge of any underlying violation...Under Florida law, aiding and abetting claims must sufficiently establish-or allow the fair inference-that the defendant had actual knowledge of the underlying tort.”) (emphasis added), *aff’d*, 960 F.3d 1296 (11th Cir. 2020); *Tuckman*, 2020 U.S. Dist. LEXIS 256846, at *15 (dismissing aiding and abetting claims that “fail[] to connect Wells Fargo with the fraud against him”). There are no allegations that Wells Fargo had actual knowledge of, or any involvement with, the allegedly fraudulent communications between the Perpetrators and the investors. The Complaint merely puts forth conclusory assertions that Wells Fargo knew or should have known of the Ponzi scheme because of the suspicious actions and transactions that were occurring.

Thus, the Receiver’s aiding and abetting fraud claim fails as a matter of law.

IV. Counts III and IV Fail to State Claims for Negligence and Unjust Enrichment.

A. The Receiver’s negligence and unjust enrichment claims fail because contractual relationships existed between Wells Fargo and the Receivership Entities.

Counts III and IV fail because Wells Fargo had contractual banking relationships with the Receivership Entities. The Receiver’s negligence tort claim fails under the independent tort doctrine and the equitable unjust enrichment claim fails because there is an adequate legal remedy under the express contracts.

i. The Receiver’s negligence claim is barred under the independent tort doctrine.

“[I]t is well settled that, under Florida law, ‘[t]he relationship between a bank and the holder of a deposit account is contractual.’” *Pastor v. Bank of America, N.A.*, 664 F. Supp. 3d 1365, 1367 (S.D. Fla. Mar. 27, 2023) (citing *Carl v. Republic Sec. Bank*, 282 F. Supp. 2d 1358, 1365 (S.D. Fla. 2003)). “Therefore, to set forth a claim in tort between parties in contractual privity, a party must allege action beyond and independent of breach of contract that amounts to an independent tort.” *Kaye v. Ingenio, Filiale De Loto-Quebec, Inc.*, 2014 U.S. Dist. LEXIS 73180, at *11–14 (S.D. Fla. May 29, 2014) (dismissing claim that was “precisely the same as a potential breach of contract claim”); *see also Noble House LLC v. Derektor Florida, Inc.*, 2022 U.S. Dist. LEXIS 118529, at *7 (S.D. Fla. July 6, 2022) (dismissing negligence claim that had no “additional support” other than what was alleged in the breach of contract claim, and thus “the overlap between [the negligence and contract] claims demonstrates that the crux of the claims is the same”). In effect, “a ‘Plaintiff may not repackage breach of contract claims as independent actions in tort.’” *Stepakoff v. IberiaBank Corp.*, 637 F. Supp. 3d 1309, 1315 (S.D. Fla. 2022).

In *Pastor*, the plaintiff alleged that a bank “owed him a ‘duty of care to safeguard, manage, monitor, maintain supervise and control’” his account. *Pastor*, 664 F. Supp. at 1367. The court there dismissed the claims with prejudice, holding that the allegations formed a claim that was “inextricably dependent on the duties [plaintiff] was owed as a customer and owner of an account with [the bank],” and plaintiff had failed to allege that the bank breached “a duty independent of a breach of its contractual obligations.” *Id.* at 1368.

The Receiver’s negligence claim here similarly fails. As alleged in the Complaint, “Plaintiffs maintained fifteen (15) bank accounts at Wells Fargo through which least \$414,000,000 was moved through their accounts through deposits and withdrawals.” Compl. ¶ 245. The Receiver further alleges that Wells Fargo owed a duty based on its “opening, operation, maintenance and management of the accounts,” a duty which Wells Fargo then purportedly breached by failing to adequately monitor or manage the accounts. *Id.* ¶¶ 246, 248; *see also id.* ¶ 9. In return for these “banking services,” Wells Fargo received “interest, transfer fees, service fees, transaction fees and online banking fees.” Compl. ¶¶ 251, 252. These allegations set forth the standard obligations and actions inherent in a banking relationship, wherein Wells Fargo owes contractual obligations to its account holders, and in return Wells Fargo receives benefits in the form of banking fees. *See Veritas Pers. Servs. v. Adp Totalsource*, 2019 U.S. Dist. LEXIS 236131, at *12 (S.D. Fla. Oct. 21, 2019) (“A plaintiff may not pursue a tort theory of relief where a contract created the duty to act [and] performance is measured against the contractual obligations.”) (citing *Nat’l Fire Ins. Co. of Hartford v. Johnson Controls Fire Prot. LP*, 2019 U.S. Dist. LEXIS 67157, at *13 (S.D. Fla. Apr. 18, 2019)). The Receiver fails to allege that Wells Fargo owed or breached any duties independent of those contractual duties and, thus, the negligence claim fails.

ii. The unjust enrichment claim fails as there is an adequate legal remedy under the express contracts.

Unjust enrichment “is equitable in nature and is, therefore, not available where there is an adequate legal remedy. It follows that a party may not maintain an action for unjust enrichment if the damages sought are covered by an express contract.”⁸ *Rife v. Newell Brands, Inc.*, 632 F. Supp. 3d 1276, 1316 (S.D. Fla. 2022) (quoting *David v. Am. Suzuki Motor Corp.*, 629 F. Supp. 2d 1309, 1324 (S.D. Fla. 2009)); *Inspirations Nevada LLC v. Ed Pro Billing Inc.*, 2021 U.S. Dist. LEXIS 99476, at *20, 21 (S.D. Fla. May 26, 2021) (barring unjust enrichment claim where an express contract concerning the same subject matter existed); *Spears v. SHK Consulting and Dev. Inc.*, 338 F. Supp. 3d 1272, 1278 (M.D. Fla. 2018) (noting the “well-established doctrine” that a plaintiff cannot pursue a claim for unjust enrichment when there is a contract concerning the same matter). Florida courts further hold that “an unjust enrichment claim can only be pled in the alternative if one or more parties *contest the existence of an express contract* governing the subject of the dispute.” *Rife*, 632 F. Supp. 3d at 1316 (quoting *Zarrella v. Pac. Life Ins. Co.*, 755 F. Supp. 2d 1218, 1227 (S.D. Fla. 2010) (emphasis added)). If the parties do not contest the existence of an express contract governing the subject of the dispute, the unjust enrichment claim fails. *Noble House LLC v. Derecktor Florida, Inc.*, 2021 U.S. Dist. LEXIS 172911, at *8 (S.D. Fla. Sept. 13, 2021). The Complaint does not allege that any party contests the existence of a contractual relationship. Indeed, the Receiver admits the existence of account opening documents establishing a contractual relationship between the Receivership Entities and Wells Fargo. *See* Compl. ¶ 123

⁸ This claim is further deficient as the Receiver “fails to allege that no adequate remedy at law exists.” *Southern Logistics, Inc. v. Custom Ecology, Inc.*, 2020 U.S. Dist. LEXIS 235127, at *15 (M.D. Fla. Oct. 29, 2020). When there is a contractual relationship, “Plaintiffs must allege that no adequate remedy at law exists within their unjust enrichment claim.” *Begualg Inv. Mgmt. v. Four Seasons Hotel Ltd.*, 2011 U.S. Dist. LEXIS 108720, at *24 (S.D. Fla. Sept. 23, 2011).

(Wells Fargo assisted in opening bank accounts for the Receivership Entities); ¶ 124 (account applications with Wells Fargo were completed, and “produced by Wells Fargo in response to a subpoena from the Receiver”). Thus, this banking relationship is contractual as a matter of Florida law, and the unjust enrichment claim must be dismissed. *See Pastor*, 664 F. Supp. 3d at 1367; *Carl*, 282 F. Supp. 2d at 1365; *Veritas Pers. Servs.*, 2019 U.S. Dist. LEXIS 236131, at *12.

B. The Receiver’s unjust enrichment claim substantively fails.

The unjust enrichment claim further fails because Wells Fargo (i) did not receive a direct benefit, and (ii) received adequate consideration in exchange for providing banking services.

i. The unjust enrichment claim fails because customary banking fees are not considered direct benefits.

In Count IV, the Receiver seeks disgorgement of interest and account services fees Wells Fargo collected from the Receivership Entities. Compl. ¶¶ 230, 240, 252. To state an unjust enrichment claim, the Receiver must plead facts showing that (i) the Receivership Entities conferred a benefit on Wells Fargo; (ii) Wells Fargo had knowledge of the benefit; (iii) Wells Fargo accepted or retained the benefit conferred; and (iv) the circumstances are such that it would be inequitable for Wells Fargo to retain the benefit without paying value for it. *Merle Wood & Assocs., Inc. v. Trinity Yachts, LLC*, 714 F.3d 1234, 1237 (11th Cir. 2013).

Count IV fails to allege that Wells Fargo received a direct benefit that could form the basis for an unjust enrichment claim. “Florida law requires that the plaintiff ‘directly confer’ a benefit in order to state a claim for unjust enrichment[.]” *City of Miami v. Eli Lilly & Co.*, 2022 U.S. Dist. LEXIS 11696, at *29 (S.D. Fla. Jan. 21, 2022) (quoting *Kopel v. Kopel*, 229 So. 3d 812, 818 (Fla. 2017)). But earning fees or interest on an account is “not a *direct* benefit as required under Florida law.” *Hakim-Daccach v. Knauf Int’l GmbH*, 2017 U.S. Dist. LEXIS 193058, at *14 (S.D. Fla. Nov. 21, 2017) (emphasis in original).

The Complaint alleges generally that the Receivership Entities “conferred benefits upon Wells Fargo” from the funds deposited into the accounts, that Wells Fargo “earned income from fees and from its possession of deposits,” and that Wells Fargo collected “interest, transfer fees, services fees, transaction fees and online banking fees” in connection with those accounts. Compl. ¶¶ 230, 240, 252. These are the types of indirect benefits that cannot support an unjust enrichment claim. See *Hakim-Daccach*, 2017 U.S. Dist. LEXIS at *14.

ii. The unjust enrichment claim also fails because adequate consideration exists.

Moreover, the Complaint fails to state an unjust enrichment claim because its allegations affirmatively establish that Wells Fargo provided banking services for the alleged account services fees. “It is settled law in Florida that when a defendant has given adequate consideration to someone for the benefit conferred, a claim of unjust enrichment fails.” *Wiand*, 86 F. Supp. 3d at 1332 (citation omitted); *Biondi v. Branch Banking & Trust Co.*, 2018 U.S. Dist. LEXIS 147363, at *22 (S.D. Fla. Aug. 28, 2018). The Complaint alleges that Wells Fargo “provided banking services” to the Receivership Entities, which paid Wells Fargo account services fees and interest in return. Compl. ¶ 251. This establishes that Wells Fargo received the challenged account services fees in a bargained-for exchange. See *Wiand*, 86 F. Supp. 3d at 1332 (“In sum, the Bank agreed to provide account services and loans to the [schemers], in exchange for which those entities agreed to pay account service fees and interest. The Receiver’s claim for unjust enrichment therefore fails as a matter of law”). Thus, the unjust enrichment claim must be dismissed.

CONCLUSION

WHEREFORE, for the above reasons and authorities, Wells Fargo requests that the Court grant this motion and dismiss Receiver’s Complaint in its entirety with prejudice and grant such further relief as this Court deems just and proper.

Dated: July 29, 2024

Respectfully submitted,

McGUIREWOODS LLP

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 29, 2024, a copy of the foregoing was filed via the ECF system and therefore furnished by E-Mail to:

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DEFENDANT WELLS FARGO BANK, N.A.'S
MOTION TO DISMISS

Exhibit A

Consent Motion for Appointment of Corporate Monitor

Stermer v. Wells Fargo Bank, N.A.
Case No.: 50-2024-CA-004345
Southern District of Florida, Miami Division

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
CIVIL DIVISION**

STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

vs.

CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
CENTURION INSURANCE SERVICES GROUP, LLC,
BRIAN J. SCHWARTZ,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP LLC,
CENTURION FUNDING SPV I LLC,
CENTURION FUNDING SPV II LLC,
GRACE HOLDINGS FINANCIAL, LLC,
PRIME SHORT TERM CREDIT INC.,

Defendants,

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

**CONSENT MOTION FOR APPOINTMENT OF CORPORATE MONITOR
AND RELATED INJUNCTIVE RELIEF**

Plaintiff, State of Florida, Office of Financial Regulation (“OFR”) moves this Court for the appointment of a corporate monitor (“Corporate Monitor”) for the property, assets, and business of the twenty-seven (27) corporate-entity Defendants identified below (the “Consenting Corporate Defendants”). The OFR also seeks a temporary injunction against the Consenting Corporate Defendants and against two natural-person Defendants, Marshal Seeman and Brian J. Schwartz (the “Consenting Individual Defendants”). As ground for this Motion, the OFR states:

1. This Motion is made pursuant to § 517.191, Florida Statutes, Fla. R. Civ. P. 1.610, and Fla. R. Civ. P. 1.620.
2. Section 517.191(1), Florida Statutes authorizes the OFR to bring this action to enjoin the Consenting Corporate Defendants and the Consenting Individual Defendants from violations of Chapter 517, the Florida Securities and Investor Protection Act.
3. The OFR moves this Court to issue a temporary injunction as set forth in the attached Agreed Order Granting Plaintiff’s Motion for Appointment of Corporate Monitor and Related Injunctive Relief (the “Agreed Order”). See Exhibit A.
4. Section 517.191(2), Florida Statutes, authorizes the OFR to request the appointment of a receiver or administrator for the property, assets, and business of the Consenting

Corporate Defendants. The OFR moves the Court to appoint Daniel J. Stermer, as set forth in the Agreed Order. Mr. Stermer's *curriculum vitae* is attached. See Exhibit B.

5. The Consenting Individual Defendants, either individually or together, and either directly or indirectly, control the following twenty-seven Consenting Corporate Defendants:

NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ,
CENTURION INSURANCE SERVICES GROUP, LLC,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC,
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP LLC,
CENTURION FUNDING SPV I LLC, and
CENTURION FUNDING SPV II LLC.

6. The Consenting Individual Defendants and the Consenting Corporate Defendants (collectively, the "Consenting Defendants"), each through counsel identified below, consent to the terms of the Agreed Order, without admission of any substantive allegation of the Complaint.

WHEREFORE the Plaintiff requests the following relief:

A. Appoint Daniel J. Stermer as Corporate Monitor over the Consenting Corporate Defendants.

B. Enter a temporary injunction enjoining the Consenting Defendants and each of their agents, servants, employees and any other person concerned in or in any way participating in or about to participate with them in the offer or sale of any security or investment in violation of §§ 517.301, 517.07, 517.12(1) and (4), Florida Statutes, and order such other ancillary relief as contained in the Agreed Order.

C. Reserve jurisdiction to enter such legal, equitable and other relief that the Court deems just and proper.

Respectfully submitted,

By: /s/ A. Gregory Melchior

A. Gregory Melchior

Chief Counsel

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Attorney for Plaintiff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Plaintiff's Notice of Filing has been furnished by using the Florida Courts E-Filing Portal to all parties of record and to all parties on the attached service list, on this 9th day of September, 2021.

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/s/ A. Gregory Melchior
A. Gregory Melchior, Esq.

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
CIVIL DIVISION**

STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

vs.

CASE NO.: 50-2021-CA-008718-XXXX-MB

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
CENTURION INSURANCE SERVICES GROUP, LLC,
BRIAN J. SCHWARTZ,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP LLC,
CENTURION FUNDING SPV I LLC,
CENTURION FUNDING SPV II LLC,
GRACE HOLDINGS FINANCIAL, LLC,
PRIME SHORT TERM CREDIT INC.,

Defendants,

Exhibit A

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

**AGREED ORDER GRANTING PLAINTIFF'S
CONSENT MOTION FOR APPOINTMENT OF CORPORATE MONITOR
AND RELATED INJUNCTIVE RELIEF**

THIS CAUSE comes before the Court upon Plaintiff State of Florida, Office of Financial Regulation's ("Plaintiff's") Consent Motion for Appointment of Corporate Monitor (the "Motion"), and upon the consent and agreement of natural-person Defendants Marshal Seeman and Brian J. Schwartz (the "Consenting Individual Defendants") and on the consent and agreement by an authorized Consenting Individual Defendant for each of the following twenty-seven (27) corporate-entity Defendants (the "Consenting Corporate Defendants"):

NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ,
CENTURION INSURANCE SERVICES GROUP, LLC,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC,
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,

CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP LLC,
CENTURION FUNDING SPV I LLC, and
CENTURION FUNDING SPV II LLC.

The Court, having reviewed the relevant pleadings, been apprised of the consent and agreement by the Consenting Individual Defendants and the Consenting Corporate Defendants (collectively, the “Consenting Defendants”), and being otherwise advised in the premises,

IT IS THEREFORE ORDERED AND ADJUDGED as follows:

I. Consenting Defendants’ Consent to Service and Jurisdiction

1. The Court finds that the Consenting Defendants have waived service of the Complaint, acknowledged receipt of the Complaint, have entered a general appearance, and have admitted the Court’s jurisdiction.

2. This Court has subject matter jurisdiction over this action and personal jurisdiction over the Consenting Defendants pursuant to Section 517.191, Florida Statutes. Venue properly lies in this Court.

II. Appointment of Corporate Monitor

3. Plaintiff has requested a corporate monitor to, among other things, confirm what assets the Consenting Corporate Defendants previously had and currently have; confirm what the Consenting Corporate Defendants’ investors are currently owed; take and maintain care, possession and control over whatever rights, title, or interest the Consenting Corporate Defendants have in said assets to ensure the Consenting Corporate Defendants’ investors are repaid; marshal, safeguard, and liquidate assets; ensure that preferential payments to investors do not occur at the expense of other investors; ensure that the Consenting Corporate Defendants’ investors are repaid

in a fair and equitable manner; and evaluate and file ancillary actions to recover monies or assets for the benefit of the Corporate Defendants' investors.

4. Plaintiff has submitted the credentials of a candidate, Daniel J. Stermer, to be appointed as corporate monitor ("Corporate Monitor") for the Corporate Defendants, including Corporate Monitor for their assets, properties, books and records and other items of the Corporate Defendants as described below, and the candidate is prepared to assume this responsibility if so ordered by this Court. Plaintiff and the Consenting Defendants acknowledge that Daniel J. Stermer's firm, Development Specialists, Inc. ("DSI"), was previously engaged by the Consenting Defendants as an independent third-party examiner, and produced a report in 2020 identifying certain historic activities by certain of the Consenting Corporate Defendants and certain other Consenting Defendants, which had received investor funds. The report was produced to the Defendants and the Plaintiff. Plaintiff and the Consenting Defendants further maintain that Daniel J. Stermer is qualified to serve as Corporate Monitor and generally familiar with the Consenting Corporate Defendants' business structure.

5. Plaintiff and the Consenting Defendants have agreed to the terms of this Agreed Order on Plaintiff's Motion for Appointment of Corporate Monitor and Related Injunctive Relief.

6. The Court finds that the appointment of a Corporate Monitor for the Consenting Corporate Defendants is appropriate.

7. Until further Order of this Court, Daniel J. Stermer is hereby approved and appointed to serve as the Corporate Monitor for the Consenting Corporate Defendants and their affiliates, subsidiaries, successors, and assigns. The Corporate Monitor may apply to the Court for an Order expanding the scope of the monitorship over other entities, assets or accounts.

III. Assets Subject to Monitorship

8. This Court hereby confers possession of the assets, of whatever kind and wherever situated, of the Consenting Corporate Defendants to the Corporate Monitor for the purpose of preserving and maintaining their assets.

9. Except as otherwise specified herein or until further Order of this Court, all assets of the Consenting Corporate Defendants may not be transferred, set off, received, charged, sold, pledged, assigned, liquidated, dissipated, or otherwise disposed of, or withdrawn. Accordingly, all persons and entities with direct or indirect control over any assets of the Consenting Corporate Defendants, other than the Corporate Monitor, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating, dissipating or otherwise disposing of, or withdrawing, such assets without express written approval from the Corporate Monitor. This shall include, but not be limited to, all assets of the Consenting Corporate Defendants that are on deposit or in safe deposit boxes with financial institutions such as banks, cryptocurrency exchanges, brokerage firms, clearing firms, intermediaries, financial institutions or any other third party. However, upon express written approval from the Corporate Monitor, solely based on the rights transferred to the Corporate Monitor based on the terms of the Centurion Funding SPV II credit facility agreement, a third-party lender/creditor to the Consenting Corporate Defendants may sell an asset per the terms of the credit agreement in place to cover the cost of the premiums of insurance policies.

IV. General Powers and Duties

10. The Corporate Monitor shall have all powers, authorities, rights and privileges heretofore possessed by the owners, officers, directors or member managers of the Consenting Corporate Defendants over the Consenting Corporate Defendants, under applicable state and

federal law, as well as by the Consenting Corporate Defendants' governing charters, by-laws, articles and/or agreements, and including, but not limited to, the right to sue, defend and assert all legal claims, rights or privileges held by the Consenting Corporate Defendants.

11. The powers of the owners, officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians of the Consenting Corporate Defendants are hereby suspended and exclusively vested in the Corporate Monitor, except to the extent as may hereafter be delegated or granted by the Corporate Monitor to a natural person or corporate entity to assist the Corporate Monitor in fulfilling the Corporate Monitor's duties, or as expressly provided by this Order or by further Order of this Court. The Corporate Monitor shall assume and control the operations of the Consenting Corporate Defendants and shall, subject to the Corporate Monitor's reasonable discretion, pursue and preserve all of the Consenting Corporate Defendants' claims.

12. No natural person or corporate entity holding or claiming any position of any sort with the Consenting Corporate Defendants shall possess any authority to act by or on behalf of the Consenting Corporate Defendants, unless so instructed by the Corporate Monitor or further Order of this Court.

13. The Corporate Monitor shall have the following general powers to perform the following duties in good faith, with reasonable diligence, and with reasonable discretion:

- A. To determine the nature, location and value of all property interests of the Consenting Corporate Defendants, including, but not limited to, life settlement insurance policies, monies, funds, securities, cryptocurrencies, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Consenting Corporate Defendants own, possess, have a beneficial interest in, or control directly or indirectly;
- B. To immediately assume authority, possession, and control over all of the Consenting Corporate Defendants' property interests, including, but not limited to,

business premises, personal and real property, and records relevant thereto; to sue for and collect, recover, receive and take into possession from third parties all property of the Consenting Corporate Defendants and records relevant thereto;

- C. To manage and supervise the Consenting Corporate Defendants and assume authority and control over all property of the Consenting Corporate Defendants possession, custody, or control, pending further Order of this Court, unless provided below;
- D. To disburse funds to investors only upon further Order of this Court;
- E. To use property of the Consenting Corporate Defendants, making payments and disbursements and incurring expenses as deemed necessary, appropriate or advisable in the ordinary course of business while maintaining the ordinary operations of the Consenting Corporate Defendants.;
- F. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians of the Consenting Corporate Defendants with respect to maintaining the Consenting Corporate Defendants ordinary operations;
- G. To continue the normal day-to-day operations of the Consenting Corporate Defendants, or alternatively to suspend, wind down or stop their operations including the termination of all sales and rollovers of promissory note investments and securities of any kind;
- H. To take control over the Consenting Corporate Defendants' rights, possession, and ownership of all life settlement insurance policies, monies, funds, cryptocurrencies, property, and other assets owned by, in the possession of, or under the control of, the Consenting Corporate Defendants, wherever situated. The Corporate Monitor shall have full power to sue for, collect, receive and take possession of all goods, chattels, rights, credits, moneys, effects, land, leases, books, records, work papers, and records of accounts, including computer-maintained information and digital data and other papers and documents. Title to all of the above items wherever located are vested by operation of law in the Corporate Monitor; however, such will not preclude the Corporate Monitor's discretion to retain Defendant Brian J. Schwartz ("Schwartz"), for purposes of not triggering certain loan default conditions, in the day-to-day management of Centurion Funding SPV II, LLC's policies and direction. Such activities by Schwartz will be under the strict supervision of the Corporate Monitor and without compensation or reimbursement of expenses, unless compensation or reimbursement is determined to be appropriate by the Corporate monitor;
- I. To enter and inspect the business premises of the Consenting Corporate Defendants and to take and maintain documents or other property owned or controlled by the

Consenting Corporate Defendants, including establishing or maintaining chain of custody;

- J. To preserve, hold and manage all monitorship assets, and perform all acts deemed necessary and appropriate to preserve the value of those assets, in order to prevent any loss, damage or injury to investors of the Consenting Corporate Defendants;
- K. To take such action as deemed necessary and appropriate by the Corporate Monitor for the preservation of property of the Consenting Corporate Defendants or to prevent the dissipation or concealment of property of the Consenting Corporate Defendants by any Defendant or other natural person or corporate entity, to include, but not be limited to, seeking an asset freeze, injunction or other remedy;
- L. To prevent the withdrawal or misapplication of funds entrusted to the Consenting Corporate Defendants, and otherwise protect the interests of investors of the Consenting Corporate Defendants;
- M. To collect all money owed to the Consenting Corporate Defendants;
- N. To pursue, resist and defend, as deemed necessary and appropriate, all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Consenting Corporate Defendants;
- O. To claim, assert or waive attorney-client privilege held by the Consenting Corporate Defendants. Any dispute involving the Corporate Monitor's authority to terminate a joint defense agreement to which a Consenting Corporate Defendant is a party may be brought solely before this Court for resolution on the motion by any other party to the agreement;
- P. To seek permission and obtain approval from the Court before effectuating any settlement, consent judgment or allowing any default or default judgment against the Consenting Corporate Defendants, or before releasing legal claims or causes of action the Consenting Corporate Defendants may have against other parties;
- Q. To initiate, defend, compromise, adjust, intervene in, dispose of, or become a party to, as deemed necessary and appropriate, any lawsuits or arbitrations in state, federal or foreign jurisdictions necessary to preserve or increase the assets of the Consenting Corporate Defendants and/or on behalf of the Consenting Corporate Defendants and for the benefit of their investors against: (1) those individuals and/or entities which the Corporate Monitor may claim have wrongfully, illegally or otherwise improperly appropriated, transferred or received any assets, properties, life settlement insurance policies, monies, proceeds or other items of value directly or indirectly traceable from the Consenting Corporate Defendants, including the Consenting Corporate Defendants and their officers, directors, member managers, employees, agents or any natural persons acting in concert or participation with

them; or (2) any transfers of assets, properties, life settlement insurance policies, monies, proceeds or other items of value directly or indirectly traceable from the Consenting Corporate Defendants investors. Such actions may include, but not be limited to, seeking imposition of constructive trusts, seeking imposition of equitable liens, disgorgement of profits, recovery and/or avoidance of fraudulent transfers under Florida Statute § 726.101, *et. seq.* or otherwise, rescission and restitution, the collection of debts, and such Orders or other relief supported in law or equity from this Court as may be necessary to enforce this Order;

- R. To request permission from this Court to extend the monitorship over any corporate entity, or to apply for equitable relief over the assets of any corporate entity or natural person which or who is reasonably believed to have received or to be holding assets or proceeds or other items of value derived from the Consenting Corporate Defendants or their investors;
- S. To seek a stay of any court proceeding or order transferring, liquidating, disposing or impacting any of the Defendants' assets, properties, life settlement insurance policies, monies, proceeds or other items of value derived from the Consenting Corporate Defendants or their investors;
- T. To seek an injunction prohibiting the sale, transfer, liquidation, disposition or other activity impacting any of the Defendants' assets, properties, life settlement insurance policies, monies, proceeds or other items of value derived from the Consenting Corporate Defendants or their investors;
- U. To choose, engage, and employ attorneys, accountants and other reasonable agents or professionals, as the Corporate Monitor deems advisable or necessary in the performance of the Corporate Monitor's duties and responsibilities. The Corporate Monitor and the Corporate Monitor's professionals shall be entitled to reasonable compensation from the assets now held by the Consenting Corporate Defendants or ultimately secured by the Corporate Monitor. Said compensation shall be commensurate with their duties and obligations under the circumstances, and subject to approval of this Court;
- V. To file tax returns for the Consenting Corporate Defendants, unless a filing by another natural person on behalf of the Consenting Corporate Defendants is expressly authorized in writing by the Corporate Monitor or upon further Order of this Court. The Consenting Individual Defendants are permitted to voluntarily, and without expectation of fees, costs or expense reimbursements, submit to the Corporate Monitor proposed tax returns, for tax years prior to the issuance of this Order, for the Consenting Corporate Defendants; however, all fees, costs, and expense reimbursements for tax preparation work by natural persons or corporate entities engaged or employed by the Corporate monitor are subject to approval of this Court;

- W. To issue subpoenas to obtain documents pertaining to the monitorship and conduct discovery in this action on behalf of the monitorship estate. The Corporate Monitor is authorized to seek expedited discovery from the Consenting Defendants and nonparties with regard to identifying, locating, and taking possession of the Consenting Corporate Defendants' property and/or to determine compliance with this Order. The Consenting Defendants and nonparties shall produce documents, sit for deposition, answer interrogatories and/or answer requests for admissions within ten (10) calendar days of service of the Corporate Monitor's discovery requests, unless extended by the agreement of the Corporate Monitor or the Court for good cause shown. The Corporate Monitor is authorized to serve subpoenas on nonparties through electronic means (including electronic mail and/or facsimile transmission), U.S. Mail, Federal Express, other commercial overnight service, or personal service to facilitate expedited discovery;
- X. To open one or more bank account or any other type of account as designated depositories for funds or assets of the Consenting Corporate Defendants. The Corporate Monitor shall deposit all funds of the Consenting Corporate Defendants in such designated accounts and shall make all payments and disbursements from the monitorship estate from such accounts, subject to Court approval if otherwise specified herein. The Corporate Monitor is authorized to invest monitorship funds in U.S. Treasury securities, money market funds or other interest-bearing accounts as appropriate in the Corporate Monitor's judgment;
- Y. To apply to this Court for authority to make payments and disbursements from the monitorship estate that are necessary or advisable for carrying out of the day-to-day operations of the monitorship consistent with the authority granted by this Order;
- Z. To apply to this Court for authority to enter contracts consistent with the authority granted by this Order;
- AA. To close out all outstanding securities positions and hold such proceeds without further Order of this Court;
- BB. To close, disable or otherwise shut down, as deemed necessary and appropriate, the Consenting Corporate Defendants' current websites and re-direct to, or create, a new website for purposes of the monitorship;
- CC. To propose to this Court an operational plan addressing the viability of the day-to-day and long-term operations of the Consenting Corporate Defendants' business;
- DD. To propose to this Court a claims process for the determination of amounts owed to investors and other creditors, the determination of priorities among such claims, and a distribution plan for the return of funds;

- EE. To cooperate with regulatory and other government authorities with regard to any inquiry and to provide access and produce records upon request with or without subpoena;
- FF. To advise this Court should it be determined that additional powers are necessary to protect the interests or assets of the Consenting Corporate Defendants, to protect the investors, or to facilitate a proposed re-distribution of assets to the investors;
- GG. To review and consider, as deemed reasonable and appropriate by the Corporate Monitor, plans or proposals prepared by the Consenting Individual Defendants to refinance or inject liquidity and/or assets into the Consenting Corporate Defendants for the benefit of its investors. If the Corporate Monitor believes that such a plan or modified plan would be in the best interest of the Consenting Corporate Defendants and its investors, the Corporate Monitor will seek approval of this Court to implement the same; however, the disclosure or release of any of the Corporate Defendants' non-public or confidential information or any confidential components of a business plan prepared pursuant to paragraph CC immediately above, shall be solely at the discretion of the Corporate Monitor or upon further Order of this Court; and
- HH. To take such other action as may be approved by further Order of this Court.

V. Access to Information

14. The Consenting Corporate Defendants and their past and/or present officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, custodians as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Corporate Monitor forthwith all paper and electronic information of, and/or relating to, the Consenting Corporate Defendants and/or their property and business premises; such information shall include, but not be limited to, books, records, documents, accounts, electronically stored information, passcodes, passwords, legal authority for access, keys and combinations to business premises locks, computer access codes of all computers used to conduct the Consenting Corporate Defendants' business, access to (including but not limited to execution of any documents necessary for access to and forensic imaging of) any data stored, hosted or otherwise maintained by an electronic data host, storage area access information, and all other

instruments and papers as well as the location of all such paper and electronic information. This requirement shall not impinge on any natural person's or corporate entity's right to assert applicable constitutional or legal privileges and nothing in this requirement shall be construed to require that any natural person or corporate entity abandon or waive any constitutional or legal privilege which they may have available to them.

15. The Consenting Corporate Defendants' past and/or present officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians shall promptly and with all due haste answer as directed by the Corporate Monitor all questions which the Corporate Monitor or the Corporate Monitor's professionals or agents may put to them, shall cooperate, shall provide truthful answers, and produce all documents as required by him regarding the business of the Consenting Corporate Defendants, or any other matter relevant to the operation or administration of the Consenting Corporate Defendants. This requirement shall not impinge on any natural person's or corporate entity's right to assert applicable constitutional or legal privileges and nothing in this requirement shall be construed to require that any natural person or corporate entity abandon or waive any constitutional or legal privilege which they may have available to them. The Corporate Monitor may provide such information obtained to regulatory and other government authorities as the Corporate Monitor deems necessary and appropriate.

VI. Access to Books, Records and Accounts

16. The Corporate Monitor is authorized to take immediate possession of any and all accounts, including financial accounts, books and records, electronically stored information, passcodes, and all other documents or instruments relating to the Consenting Corporate Defendants. The Consenting Individual Defendants, upon reasonable request and good cause being shown to the Corporate Monitor, and as deemed reasonable and appropriate by the Corporate

Monitor, shall be entitled, to: inspect and copy existing records obtained by and in the possession or control of the Corporate Monitor, upon payment of reasonable research and copying costs and subject to other reasonable conditions imposed by the Corporate Monitor to assure custody and control of the existing documents.. The Consenting Individual Defendants may apply to the Court, upon a showing of good cause, for an Order directing the Corporate Monitor to provide periodic or special reports of the operations of the Corporate Monitor.

17. Any natural persons or corporate entities receiving notice of this Order by personal service, electronic mail, facsimile transmission, or otherwise, having possession of the property, business, books, records, accounts, electronically stored information, passcodes, or assets of the Consenting Corporate Defendants are hereby directed to immediately deliver the same to the Corporate Monitor or the Corporate Monitor's agents, attorneys or employees.

18. All banks, cryptocurrency exchanges, clearing firms, brokerage firms, financial institutions, and other natural persons or corporate entities which have possession, custody or control of any assets, life settlement insurance policies, monies, cryptocurrencies, funds or accounts held by, in the name of, or for the benefit of, directly or indirectly, the Consenting Corporate Defendants that receive actual notice of this Order by personal service, electronic mail, facsimile transmission or otherwise shall:

- A. Not liquidate, move, sell, convey or otherwise transfer any assets, life settlement insurance policies, monies, cryptocurrencies, funds, and/or accounts in the name of the Consenting Corporate Defendants or for the benefit of their investors, except upon written instructions from the Corporate Monitor;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any assets, life settlement insurance policies, monies, cryptocurrencies, funds, and/or accounts to the Corporate Monitor's control without the written permission of the Corporate Monitor or upon further Order of this Court; and

- C. Cooperate expeditiously in providing information and assets, life settlement insurance policies, monies, cryptocurrencies, funds, and/or accounts to the Corporate Monitor or at the direction of the Corporate Monitor.

VII. Access to Business Premises and Personal Property

19. The Corporate Monitor is authorized to take immediate possession of all business premises and personal property of the Consenting Corporate Defendants, wherever located, including, but not limited to, offices, storage facilities, electronically stored information, passcodes, keys, PINs, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, cryptocurrency exchange records and accounts, clearing firm records and accounts, savings records and accounts, brokerage records and accounts, life settlement insurance policies, cryptocurrencies, certificates of deposit, stocks, bonds, debentures, investments, contracts, mortgages, furniture, office supplies and equipment. All records of the Consenting Corporate Defendants shall be made available to the Corporate Monitor.

20. The Corporate Monitor is authorized to open all mail – including electronic mail – directed to or received by or at the Consenting Corporate Defendants’ business premises, offices, post office boxes or electronic mail domains, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

21. Upon the request of the Corporate Monitor, the Sheriff, in any judicial district, in order to keep the peace and maintain security, is hereby ordered to assist the Corporate Monitor in carrying out the Corporate Monitor’s duties to take possession, custody and control of, or identify the location of, any business premises and property of the Consenting Corporate Defendants, including, but not limited to, assets, life settlement insurance policies, monies, cryptocurrencies,

funds, accounts, records, electronically stored information, or other materials belonging to the Consenting Corporate Defendants. If requested by the Corporate Monitor, such law enforcement personnel shall provide appropriate and necessary assistance to the Corporate Monitor to implement this Order, including the Break Order provisions described below, and are authorized to use any necessary and reasonable force to do so. If entry into any of these premises is refused or otherwise not forthcoming, or no one is at the location at the time of enforcement of the Court's Order, such law enforcement personnel shall use the force of the County to break and enter that premises or any structure or enclosure located at that premises as described above in this Section, to execute this Order and to remove all natural persons from said premises during such immediate access.

VIII. Delivery to Corporate Monitor

22. Immediately upon service of this Order upon them, and subject to applicable attorney-client and work product privileges exclusive of those held by the Corporate Monitor for the Consenting Corporate Defendants and any other natural person or corporate entity served with a copy of this Order shall, immediately or within such time as permitted by the Corporate Monitor in writing, deliver over to the Corporate Monitor:

- A. All rights, control, and authority held by the Consenting Corporate Defendants over all assets, life settlement insurance policies, monies, cryptocurrencies, funds and/or accounts belonging to the Consenting Corporate Defendants or their investors;
- B. Possession and custody of documents of the Consenting Corporate Defendants, including, but not limited to, all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), investor lists, loan documents, title documents, electronically stored information, and other papers;
- C. All keys, computer passwords, entry codes, PIN numbers and combinations to locks necessary to gain or to secure access to any of the assets, life settlement insurance policies, monies, cryptocurrencies, funds, accounts and/or documents of the

Consenting Corporate Defendants, including, but not limited to, access to business premises, means of communication, accounts, computer systems, websites, or other property; and

- D. Information identifying the accounts, employees, properties or other assets or obligations of the Consenting Corporate Defendants.

IX. Cooperation with Corporate Monitor

23. The Consenting Corporate Defendants, their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, custodians and all other natural persons or corporate entities served with a copy of this Order, shall cooperate fully with and assist the Corporate Monitor in the performance of the Corporate Monitor's duties. This cooperation and assistance shall include, but not be limited to, providing any information to the Corporate Monitor that the Corporate Monitor deems necessary to exercising the authority and discharging the responsibilities of the Corporate Monitor under this Order; and advising all natural persons and corporate entities who owe money to the Consenting Corporate Defendants that all debts should be paid directly to the Corporate Monitor. This requirement does not impinge on any natural person's right to assert applicable privileges and nothing in this requirement shall be construed to require that any natural person abandon or waive any constitutional or legal privilege which they may have available to them.

24. Any officers, directors or member managers, shareholders, employees, affiliates agents, servants, attorneys and custodians of the Consenting Corporate Defendants will be available to assist and advise the Corporate Monitor, but will not exercise their traditional functions or assume their traditional duties during the period that the Corporate Monitor is appointed, unless retained or engaged by the Corporate Monitor.

25. Nothing in this Order shall be read to bar Mr. Scott Orth from continuing to serve as counsel for Defendant Marshal Seeman in this or other matters.

X. Accounting Information

26. The Consenting Individual Defendants shall identify, submit in writing to the Corporate Monitor, and provide as detailed below, within sixty (60) calendar days of this Order, the following accounting information for the period of January 1, 2015, to the date of submission, which will:

- A. Identify all banks, brokerage, financial and cryptocurrency institutions, including account numbers and passcodes/login information, which hold or have held life settlement insurance policies, monies, cryptocurrencies, funds, commodity interests, assets, liabilities, and other property currently and previously owned or controlled (legally, equitably or otherwise) directly or indirectly by the Consenting Corporate Defendants, whether individually or jointly;
- B. Identify all life settlement insurance policies, monies, funds, cryptocurrencies, commodity interests, real estate, assets, liabilities, and other property currently or previously owned or controlled (legally, equitably or otherwise) directly or indirectly by the Consenting Corporate Defendants, whether individually or jointly;
- C. Identify all life settlement insurance policies, monies, cryptocurrencies, funds, commodity interests, real estate, assets, liabilities, and other property received directly or indirectly by the Consenting Corporate Defendants, describing the source, amount, disposition, and current location of each listed item;
- D. Identify all life settlement insurance policies, monies, cryptocurrencies, funds, commodity interests, real estate, assets, liabilities, and other property transferred or otherwise disposed of directly or indirectly by the Consenting Corporate Defendants, describing the source, amount, disposition, and current location of each listed item, including accounts or assets of the Consenting Corporate Defendants held by any bank, cryptocurrency exchange, clearing firm, brokerage firm or other financial institution located inside and/or outside the territorial United States;
- E. Identify all investors of the Consenting Corporate Defendants, including name, address, telephone number and email, account number, deposit and withdrawal dates and amounts, and amounts owed to them by the Consenting Corporate Defendants;
- F. Identify the name and last known address of each bailee, debtor or other natural person or corporate entity currently holding any life settlement insurance policies, monies, cryptocurrencies, funds, commodity interests, real estate, assets, liabilities, and other property owned or controlled (legally, equitably or otherwise) by the Consenting Corporate Defendants, whether individually or jointly;

- G. Identify all salaries, wages, bonuses, loans, distributions, or remunerations for services provided, in any form and in any amount paid directly or indirectly to each of the Consenting Individual Defendants, by, for or on behalf of each Consenting Corporate Defendant, to include date, amount, and payor; and,
- H. Identify all expense reimbursements and other transfers of assets of any kind greater in value than \$10,000.00, including, but not limited to, each transfer of a life settlement policy or interest in a life settlement policy or structured settlement, whether received or transferred, paid directly or indirectly to each of the Consenting Individual Defendants, by, for or on behalf of each Consenting Corporate Defendant, to include date, description of asset, asset value, reason for transfer, and transferor.

XI. Repatriation of Foreign Assets and Documents

27. The Consenting Corporate Defendants and their past and/or present officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians as well as those acting in their place, are hereby ordered and directed to immediately preserve, to immediately transfer within the State of Florida, and to immediately turn over to the Corporate Monitor all property, including, but not limited to, all assets, documents, electronic information in any form, related to, or held directly or indirectly, of the Consenting Corporate Defendants held outside the territorial United States.

28. The Consenting Individual Defendants shall provide the Corporate Monitor an accounting of the Consenting Corporate Defendants' property transferred in or out of the territorial limits of the United States, for the period of January 1, 2015, to present. The accounting shall submit the accounting to the Corporate Monitor within ten (10) calendar days of this Order.

XII. Notice to Third Parties

29. The Corporate Monitor shall promptly give notice of this appointment as the Corporate Monitor deems necessary or advisable to effectuate the operation of the monitorship.

30. All natural persons and corporate entities owing any obligation or debt to the Consenting Corporate Defendants shall, until further ordered by this Court, pay all such obligations

in accordance with the terms thereof to the Corporate Monitor and the Corporate Monitor's receipt for such payments shall have the same force and effect as if the Consenting Corporate Defendants had received such payment.

31. The Corporate Monitor is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of the Consenting Corporate Defendants (the "Corporate Monitor's Mail"), including all mail addressed to, or for the benefit of, the Consenting Corporate Defendants. The Postmaster shall not comply with, and shall immediately report to the Corporate Monitor, any change of address or other instruction given by anyone other than the Corporate Monitor concerning the Corporate Monitor's Mail. The Consenting Corporate Defendants shall not open any of the Corporate Monitor's Mail and shall immediately turn over such mail, regardless of when received, to the Corporate Monitor. All personal mail of any individual, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Corporate Monitor, shall be released to the named addressee by the Corporate Monitor. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Consenting Corporate Defendants. Defendants, their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. Mail, a private mail depository or courier service.

32. The Corporate Monitor is authorized to instruct the Consenting Corporate Defendants' website hosting company and ISP to hold and/or reroute any and all electronic mail which is related, directly or indirectly, to the business, operations or activities of the Consenting

Corporate Defendants (the “Corporate Monitor’s Electronic Mail”), including all electronic mail addressed to, or for the benefit of, the Consenting Corporate Defendants or any of the Consenting Corporate Defendants’ officers, directors, member managers, managers, agents or employees in their capacity as such for the Consenting Corporate Defendants. The website hosting company and ISP shall not comply with, and shall immediately report to the Corporate Monitor, any change of Internet or e-mail address or other instruction given by anyone other than the Corporate Monitor concerning the Corporate Monitor’s Electronic Mail. The Consenting Corporate Defendants shall not open any of the Corporate Monitor’s Electronic Mail and shall immediately turn over such electronic mail, regardless of when received, to the Corporate Monitor. All personal electronic mail of any individual, and/or any electronic mail appearing to contain privileged information, and/or any electronic mail not falling within the mandate of the Corporate Monitor, shall be released to the named addressee by the Corporate Monitor. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private electronic mail box, depository, business or service, or electronic mail service provider hired or used by the Consenting Corporate Defendants. The Consenting Corporate Defendants shall not open a new electronic mailbox, or take any steps or make any arrangements to receive electronic mail in contravention of this Order.

33. The Corporate Monitor is authorized to assert, prosecute and/or negotiate any claim under any insurance policy held by or issued on behalf of the Consenting Corporate Defendants for the benefit of the Consenting Corporate Defendants, their officers, directors, member managers, employees or agents, and to take any and all appropriate steps in connection with such policies.

XIII. Temporary Injunction against Interference

34. Pending final determination of this action, the Consenting Defendants, their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, custodians, those in active concert or participation with any of the foregoing and any other natural person concerned in or in any way participating in or about to participate with them, and all natural persons receiving notice of this Order by personal service, electronic mail, facsimile transmission or otherwise, and subject to the exercise of any privileges provided for under the U.S. Constitution and/or federal and state law, hereby are restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Corporate Monitor, which would:

- A. Interfere with the Corporate Monitor's efforts to take control, possession, or management of any of the Consenting Corporate Defendants' property; such prohibited actions include, but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any of the Consenting Corporate Defendants' property;
- B. Hinder, obstruct or otherwise interfere with the Corporate Monitor in the performance of monitorship duties; such prohibited actions include, but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any of the Consenting Corporate Defendants' property; such prohibited actions include, but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any of the Consenting Corporate Defendants' property, enforcing judgments, assessments or claims against the Consenting Corporate Defendants or their property, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by the Consenting Corporate Defendants or which otherwise affects any of their property;
- D. Dissipate, withdraw, transfer, remove, dispose or conceal any cash, cashier's checks, funds, assets or other property of, or within the custody, control or actual or constructive possession of the Consenting Corporate Defendants, including, but not limited to, all funds, personal property, life settlement insurance policies,

monies, funds, cryptocurrencies, or securities held in the Consenting Corporate Defendants' name, jointly or individually, whether held or maintained in safety deposit boxes, and including all funds on deposit in any bank, cryptocurrency exchange, clearing firm, brokerage firm or other financial institution, futures commission merchant, bank or savings and loan account held by, under the actual or constructive control, or in the name of the Consenting Corporate Defendants, jointly or individually, funds or property of the Consenting Corporate Defendants' investors, wherever located, whether held in the name of the Consenting Corporate Defendants, jointly or individually, or any other entity owned or controlled by the Consenting Corporate Defendants, jointly or individually;

- E. Destroy, mutilate, conceal, alter or dispose of, in any manner, any of the books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of the Consenting Corporate Defendants wherever located, including all such records concerning the Consenting Corporate Defendants' business operations; or
- F. Interfere with or harass the Corporate Monitor, or interfere in any manner with the exclusive jurisdiction of this Court over the Consenting Corporate Defendants.

35. The Consenting Defendants, their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, and custodians and all other natural persons or corporate entities served with a copy of this Order, shall cooperate with and assist the Corporate Monitor in the performance of the Corporate Monitor's duties.

36. The Corporate Monitor shall promptly notify this Court of any failure or apparent failure of any natural person or corporate entity to comply in any way with the terms of this Order.

37. The injunctive provisions of this Order shall be binding on the Consenting Defendants, upon any natural person insofar as he or she is acting in the capacity of officers, directors, member managers, employees, servants, agents, and upon any person who receives actual notice of this Order by personal service, electronic mail, facsimile transmission or otherwise, including Federal Express or other commercial overnight service.

38. The Plaintiff is authorized to verify compliance with this Order and promptly notify this Court of any failure or apparent failure of any natural person or corporate entity to comply in

any way with the terms of this Order. The Plaintiff, when verifying compliance, is also authorized to engage in expedited discovery under the same terms, conditions, and time-frames provided to the Corporate Monitor in Section 13.V., above.

XIV. Temporary Injunction as to Securities Law Violations

39. Pending final determination of this action, the Consenting Defendants and their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, and custodians, those in active concert or participation with any of the foregoing, and any other person concerned in or in any way participating in or about to participate with them, and all persons receiving notice of this Order by personal service, electronic mail, facsimile transmission or otherwise, hereby are restrained and enjoined from directly or indirectly taking the following actions or causing any of the following actions to be taken:

- A. Offering to sell or selling any security or investment in violation of the anti-fraud provisions of § 517.301, Florida Statutes;
- B. Offering to sell or selling any security in or from offices within the State of Florida or to persons in this state in violation of the registration provisions of § 517.12(1), Florida Statutes;
- C. Engaging in the business of an investment adviser, associated person of an investment adviser or as a federal covered adviser in the State of Florida, or rendering investment advice in this state, in violation of the registration provisions of § 517.12(4), Florida Statutes;
- D. Offering to sell or selling any unregistered security in violation of § 517.07, Florida Statutes; or
- E. Doing any other act or acts in furtherance of or in direct violation of Chapter 517, Florida Statutes.

XV. Directives to Financial Institutions

40. Pending further Order of this Court, any bank, cryptocurrency exchange, clearing firm, brokerage firm or other financial institution, corporate entity, or natural person that holds, controls, or maintains custody of any life settlement insurance policies, monies, cryptocurrencies,

funds, accounts, commodity interests, real estate, assets, liabilities, electronically stored information, and other property of any kind owned, controlled, managed, or held by, on behalf of, or for the benefit of the Consenting Corporate Defendants or their investors, or has held, controlled, or maintained custody of any life settlement insurance policies, monies, cryptocurrencies, funds, accounts, commodity interests, real estate, assets, liabilities, and other property of any kind owned, controlled, managed, or held by, on behalf of, or for the benefit of the Consenting Corporate Defendants or their investors at any time since, shall:

- A. Provide to the Corporate Monitor, within ten (10) calendar days of receiving a copy of this Order, a statement setting forth: (a) the identification number of each and every such account or asset titled in the name, individually or jointly, of the Consenting Corporate Defendants, or owned, controlled, managed, or held by, on behalf of, or for the benefit of the Consenting Corporate Defendants or their investors; (b) the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the natural person or corporate entity to whom such account or other asset was remitted; and (c) the identification of any safe deposit box that is either titled in the name, individually or jointly, of the Consenting Corporate Defendants or is otherwise subject to access by the Consenting Corporate Defendants; and
- B. Upon request by the Corporate Monitor, promptly provide him with copies of all records or other documentation pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instructions or slips, currency transactions reports, 1099 forms, and safe deposit box logs;
- C. Prohibit the Consenting Defendants and any natural person other than the Corporate Monitor from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any asset of the Consenting Corporate Defendants, including, but not limited to, life settlement insurance policies, monies, cryptocurrencies, funds, accounts, records, electronically stored information, or other materials belonging to the Consenting Corporate Defendants, except with the express consent of the Corporate Monitor or as directed by further Order of this Court;
- D. Deny the Consenting Defendants and any natural person other than the Corporate Monitor access to any safe deposit box that is titled in the name of the Consenting

Corporate Defendants, either individually or jointly; or otherwise subject to access by the Defendants; and

- E. Cooperate with all reasonable requests of the Corporate Monitor relating to implementation of this Order, including producing records related to the Consenting Corporate Defendants' accounts and business(es).

41. The Corporate Monitor is further authorized to provide statements and other records and documentation upon request of the Plaintiff within five (5) calendar days of such request.

XVI. Stay of Litigation

42. Except for the instant action and any police or governmental actions, whether civil or criminal, related to the Consenting Corporate Defendants or their officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians, the following State Court proceedings are stayed pursuant to section 517.191(2), Florida Statutes, until further Order of this Court:

All past, present and future civil legal proceedings of any nature, including, but not limited to, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Corporate Monitor, in the Corporate Monitor's capacity as such; (b) any of the Consenting Corporate Defendants' property or property derived from the Consenting Corporate Defendants' or their investors' funds, wherever located; (c) the Consenting Corporate Defendants, including subsidiaries, successors, assigns, and entities owned or controlled by the Consenting Corporate Defendants; or (d) the Consenting Corporate Defendants, including any of the Consenting Corporate Defendants' past or present officers, directors, member managers, shareholders, employees, affiliates, agents, servants, attorneys, and custodians sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

43. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

44. All Ancillary Proceedings are stayed in their entirety, and all courts, arbitration tribunals or other fora having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of the Consenting Corporate Defendants against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

45. This litigation stay/injunction shall cease upon termination of the monitorship by Order of this Court.

XVII. Managing Assets

46. The Corporate Monitor may establish one or more custodial accounts at a federally insured bank to receive and hold all funds of the Consenting Corporate Defendants. Such deposit accounts shall be titled in the Corporate Monitor's name.

XVIII. Conflicts of Interest

47. The Corporate Monitor has a continuing duty to ensure that there are no conflicts of interest between himself and the Consenting Corporate Defendants; however, nothing in this Order shall prevent or prohibit the Corporate Monitor from communicating and interacting with the Consenting Corporate Defendants' officers, directors, management, and employees towards the goal of recovering, realizing, or increasing the value or extent of assets, claims and collateral for the monitorship.

XIX. Limitations on Liability of Corporate Monitor and Corporate Monitor's Agents

48. Until further Order of this Court, the Corporate Monitor shall not be required to post bond or give an undertaking of any type in connection with the Corporate Monitor's fiduciary obligations in this matter.

49. The Corporate Monitor and all natural persons or corporate entity hired by Corporate Monitor are entitled to rely on all outstanding rules of law and Orders, and shall not be liable to anyone for their own good faith compliance with any Order, rule, law, judgment or decree. In no event shall the Corporate Monitor or natural persons or corporate entities hired by Corporate Monitor be liable to anyone (1) with respect to the performance of their duties and responsibilities as Corporate Monitor or as natural persons or corporate entities hired by Corporate Monitor, or (2) for any actions taken or omitted by them, except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties. Nothing in this provision is intended to provide a defense against liability for any actions taken by the Consenting Defendants or their personnel prior to the appointment of the Corporate Monitor.

50. This Court shall retain jurisdiction over any action filed against the Corporate Monitor or the Corporate Monitor' agents based upon acts or omissions committed in their representative capacities.

51. In the event the Corporate Monitor decides to resign, the Corporate Monitor shall first give written notice to the Plaintiff's and the Consenting Defendants' counsel of record and this Court of this intention, and the resignation shall not be effective until this Court appoints a successor Corporate Monitor. The Corporate Monitor shall then follow such instructions as this Court may provide.

XX. Recommendations and Reports

52. Upon appointment, the Corporate Monitor shall perform an assessment of the viability of the Consenting Corporate Defendants as a going business enterprise and options and alternatives for their future.

53. Within thirty (30) calendar days of the entry date of this Order, the Corporate Monitor shall file with this Court and serve on the parties a report of the Corporate Monitor's initial conclusions and recommendations.

54. The Corporate Monitor shall maintain written accounts, itemizing receipts and expenditures, describing properties held or managed, and naming the depositories of monitorship funds; make such written accounts and supporting documentation available to Plaintiffs and other the Consenting Corporate Defendants investors for inspection, and, within ninety (90) calendar days of the first report and every ninety (90) calendar days thereafter file with this Court and serve on the parties a report summarizing efforts to marshal and collect assets, administer the monitorship estate, and otherwise perform the duties mandated by this Order.

XXI. Fees, Expenses, and Accountings

55. The Corporate Monitor need not obtain Court approval prior to the disbursement of the Consenting Corporate Defendants' funds for expenses in the ordinary course of the administration and management of the Consenting Corporate Defendants of \$25,000.00 or less, as the Corporate Monitor deems reasonable and appropriate. Further, prior Court approval is not required for payments of applicable federal, state or local taxes. Except as otherwise specified in this Order, payments, disbursements or the incurring of expenses in excess of \$25,000.00, must each be approved by Order of this Court. The Corporate Monitor, however, may without approval by this Court, authorize and approve the direction of payments of insurance policy premiums on existing life insurance policies from Centurion Funding SPV II's credit facility, which may exceed \$25,000.

56. The Corporate Monitor and all professionals he retains are entitled to compensation deemed to be reasonable and appropriate for their work. The Corporate Monitor's standard hourly

rate is currently \$500.00, but the Corporate Monitor has agreed to reduce this hourly rate in this regulatory proceeding to \$425.00. The Corporate Monitor is authorized to file motions with this Court to seek approval to employ professionals, such as attorneys and/or accountants, whose rates will be disclosed in same.

57. The Corporate Monitor and the Corporate Monitor's professionals, such as attorneys and/or accountants, shall file with this Court a periodic fee application for payment of reasonable fees and reimbursement of actual incurred costs. The fee/cost applications shall be filed at a time that the Corporate Monitor deems appropriate in his discretion. The Corporate Monitor and the professionals shall include in the fee/cost applications their statements for services for the relevant months of work and shall serve same on counsel for parties in this action. Both the Corporate Monitor's and the professionals' statements shall contain itemized time entries with the daily hours spent on monitorship matters.

58. The compensation of the Corporate Monitor and the Corporate Monitor's professionals shall be entitled to priority as administrative expenses. The Corporate Monitor shall not increase the hourly rates used as the bases for such fee applications without prior approval of this Court.

XXII. Service of This Order

59. Copies of this Order may be served by any means, including by way of personal service, Federal Express or other commercial overnight service, U.S. mail, electronic mail or facsimile transmission, upon any financial institution or any other corporate entity or any other natural person that may have possession, custody, or control of any documents or assets of the Consenting Corporate Defendants or that may be subject to any provision of this Order. The Corporate Monitor and the Corporate Monitor's attorneys or agents are hereby specially appointed

to serve process, and/or effectuate service of process, including this Order and all other papers in this cause. Copies of this Order may also be served by the Plaintiff by any means, including by way of personal service, Federal Express or other commercial overnight service, U.S. mail, electronic mail or facsimile transmission, upon any financial institution or any other corporate entity or other natural person that may have possession, custody, or control of any documents or assets of the Consenting Corporate Defendants or that may be subject to any provision of this Order.

XXIII. Duty to Distribute This Order

60. The Corporate Monitor shall promptly give notice of his appointment to all known officers, directors, agents, employees, shareholders, contractors, banks, financial institutions creditors, debtors, managers and general and limited partners of the Consenting Corporate Defendants, as the Corporate Monitor deems necessary or advisable to effectuate the monitorship. . Each Consenting Defendant, upon being provided with a copy of this Order by the Court, or by service by the Corporate Monitor or Plaintiff, or by receipt from Counsel for the Consenting Individual Defendants, shall: (a) immediately provide a copy of this Order to each of its parent companies, holding companies, divisions, subsidiaries, affiliates, successors, assigns, directors, officers, managers, employees, agents, affiliates, servants, attorneys, independent contractors, spouses, other family members employed by or in any way affiliated with the Consenting Corporate Defendants, representatives and authorized signatories to bank accounts; and (b) within five (5) business days from such receipt or service.

XXIV. Preservation of Rights and Privileges

61. Nothing in this Order shall be construed to require that any natural person or corporate entity abandon or waive any constitutional or legal privilege which they may have available to them.

62. Nothing in this Order shall be construed as an admission by the Consenting Defendants, including but not limited to the Consenting Individual Defendants, to any of the allegations in the Complaint, nor shall in any way preclude the Consenting Defendants from contesting Plaintiff's claims and allegations or raising any defenses and affirmative defenses to the same. Moreover, the Consenting Individual Defendants reserve the right to seek dissolution of the Corporate Monitor if Plaintiff's claims against the Individual Consenting Defendants are dismissed or otherwise resolved.

XXV. No Bond

63. The Corporate Monitor is appointed without bond.

XXVI. Court Maintains Jurisdiction

64. This Order shall remain in full force and effect during the pendency of this case, or until further Order of this Court, upon application, notice and an opportunity to be heard, and that this Court retains jurisdiction of this matter for all purposes related to this action.

DONE AND ORDERED in Chambers at West Palm Beach, Florida, this _____ day of _____, 2021.

ASHLEY ZUCKERMAN
CIRCUIT COURT JUDGE

Copies to: Counsel of Record and Corporate Monitor

A. Gregory Melchior
Chief Counsel
George Bedell
Chief Counsel
Office of General Counsel
Florida Office of Financial Regulation
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Tallahassee, Florida 32309
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dsterner@DSIConsulting.com
Corporate Monitor



Development Specialists, Inc.

Advisory and Fiduciary Services • Corporate Restructuring and Workouts • Interim Management • Insolvency Services

DANIEL J. STERMER

Professional Background

DEVELOPMENT SPECIALISTS, INC.

2009 – Present

Managing Director

Appointed by Federal and State Courts as fiduciary to liquidate a variety of businesses and as trustee. Assist and manage Court-appointed fiduciary, including, but not limited to, receivers, trustees, and assignees for the benefit of creditors, in carrying out all aspects of their duties and responsibilities. Areas of responsibility include, but are not limited to: day to day operation of receivership/trusteeship/assignment; coordinate and assist professionals of receiver/trustee/assignee, including but not limited to legal counsel, accountants, and other professionals; investigate and determine what assets are estate property; recovery and disposition of assets of the estate; and coordinate claims process, including but not limited to, creation of process and analysis of claims. Consult and strategize with clients with regard to potential/ongoing governmental investigations/prosecutions.

LEWIS B. FREEMAN & PARTNERS, INC.

2000 - 2009

Principal

Appointed by Federal and State Courts as fiduciary to liquidate a variety of businesses and as trustee. Assist and manage Court-appointed fiduciary, including, but not limited to, receivers, trustees, and assignees for the benefit of creditors, in carrying out all aspects of their duties and responsibilities. Areas of responsibility include, but are not limited to: day to day operation of receivership/trusteeship/assignment; coordinate and assist professionals of receiver/trustee/assignee, including but not limited to legal counsel, accountants, and other professionals; investigate and determine what assets are estate property; recovery and disposition of assets of the estate; and coordinate claims process, including but not limited to, creation of process and analysis of claims. Consult and strategize with clients with regard to potential/ongoing governmental investigations/prosecutions.

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Exhibit B

OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LEGAL AFFAIRS
STATE OF FLORIDA
1996 - 2000
Assistant Attorney General

Economic Crimes Litigation Unit

Commence and participate in all facets of civil enforcement pre-complaint investigations and litigation related to Florida's Deceptive and Unfair Trade Practices Act and Racketeering Influenced Corrupt Organizations Act, from inception of investigation through trial; coordinate, participate, and work with federal/state/local law enforcement actions and prosecutions; commence and participate in litigation in the United States Bankruptcy Court for the Southern District of Florida.

OFFICE OF THE BRONX COUNTY DISTRICT ATTORNEY
1988 -1996

Special Assistant United States Attorney - Southern District of New York

Organized Crime Unit

Cross-designated for a federal/state investigation/prosecution that has resulted in thirteen pleas of guilty and two convictions after trial; initiated original state prosecution.

Assistant District Attorney

Major Case Narcotics Investigation Unit/Housing Task Force/Narcotics Bureau/Appeals Bureau
Selected to serve in federally funded task force prosecuting high volume narcotics trafficking and related violent crime, including homicide, occurring in public housing projects; authorize and draft search warrants; debriefed confidential informants; and investigated street gangs.

Participated in all facets of extensive litigation, from pretrial motions and hearings to felony judge and jury trials; including sale of narcotics to undercover police officers and possession of guns and drugs; voir dire, witness examination, expert witness testimony, and summations; presentation of cases to the Grand Jury; conducted extensive plea bargaining with judges and attorneys; and handling of multiple cases simultaneously in an effective, expeditious manner.

Researched, briefed and argued in excess of twenty-five cases before Appellate Division, First Department; litigated federal habeas corpus petitions in the Southern District of New York; litigated post-judgment motions, extradition and rendition proceedings, Article 78 petitions and mental competency law, during which witnesses were often presented.

Education

Juris Doctor 1988
Touro College, Jacob D. Fuchsberg Law Center - Huntington, New York

Bachelor of Arts 1984
State University of New York at Binghamton - Binghamton, New York

Certifications and Licenses

Federal:	Southern District of New York	1989
	Eastern District of New York	1989
State:	New York	1989
	Florida	1995
Mediator:	Florida Certified Circuit Civil	2015

Elected Office

City of Weston
Mayor

November 2012 – November 2020 – Term Limited Out of Office

November 2016 – November 2020 – Elected Unopposed

November 2012 – November 2016 – Elected Unopposed

- Appointed to serve on Broward County Planning Council
 - Elected Chair – 2017/2018, 2018/2019, 2019/2020, and 2020/2021
 - Elected Secretary – 2015/2016 and 2016/2017
- Served as President – Broward League of Cities – 2019/2020
- Appointed to serve at Chair – Broward League of Cities Ethics Task Force – 2014/2015, 2015/2016, 2016/2017 and 2017/2018
- Appointed to serve on Ad Hoc Committee regarding Affordable Housing comprised of representatives from Board of County Commissioners, Broward County Planning Council, and Broward League of Cities
- Appointed to serve on The Oversight Committee for the Implementation of the Interlocal Agreement for Public School Facility Planning, Broward County, Florida
 - Elected Chair – 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, and 2019/2020
- Appointed to serve on the Board of Directors of the Florida League of Cities – 2015 – 2020

City of Weston
Commissioner

September 2002 – November 2010 – Term Limited Out of Office

- First Elected in 2002 Special Election and Re-Elected in 2003 and 2006 (unopposed)
- Elected Chair of Broward Metropolitan Planning Organization – 2007/2008 – 2008/2009 – 2009/2010 – 2010/2011

- Elected Vice Chair of Broward Metropolitan Planning Organization – 2005/2006 and 2006/2007
- Designated to serve as Weston’s representative to the Metropolitan Planning Organization
- Elected First Vice President of the Broward League of Cities – 2010/2011
- Elected Second Vice President of the Broward League of Cities – 2009/2010
- Elected Secretary of the Broward League of Cities – 2008/2009
- Appointed Chairperson of the Broward League of Cities Sustainability Committee 2007/2008 - 2008/2009 – 2009/2010
- Appointed Chairperson of the Broward League of Cities Transportation Committee 2006/2007
- Designated to serve as Weston’s representative on the Broward League of Cities Board of Directors
- Appointed to serve on The Oversight Committee for the Implementation of the Interlocal Agreement for Public School Facility Planning, Broward County, Florida
- Member of the Broward League of Cities Growth Management Committee

Membership and Community Involvement

Adjunct Professor – St. Thomas University School of Law (Fall 2006, Fall 2007, Fall 2009)

Receivership Practice and the Inter-Relationships Between the Legal, Accounting, and Business Worlds

General Counsel – Weston Business Chamber/Greater Fort Lauderdale Chamber of Commerce

President – Broward Professional Alliance (2006/2007)

Personnel Vice President – B’Nai Aviv (2002 – 2004)

American Bankruptcy Institute

Broward County Bar Association

Bankruptcy Bar Association of the Southern District of Florida

Central Florida Bankruptcy Law Association

Tampa Bay Bankruptcy Bar Association

Northern District of Florida Bankruptcy Bar Association

B’Nai Brith Justice Unit

Program Chair - Florida Receivers Forum (2006 – 2009)

Executive Committee/Steering Committee – Florida Fiduciary Forum (2009 – Present)

Member – The Florida Bar, Business Law Section, Bankruptcy/UCC Committee – Receivership Study Group (2010 - Present)

Member – The Florida Bar, Business Law Section, Bankruptcy/UCC Committee – Assignment for the Benefit of Creditors Study Group (2010 – Present)

Member – The Florida Bar, Business Law Section, Bankruptcy/UCC Committee – Municipal Financial Distress Study Group (2013)

Awards and Recognition

2021 South Florida Legal Guide – Top CPAs and Financial Professionals

2020 South Florida Legal Guide – Top CPAs and Financial Professionals

2019 South Florida Legal Guide – Top CPAs and Financial Professionals
2018 South Florida Legal Guide – Top CPAs and Financial Professionals
2017 South Florida Legal Guide – Top CPAs and Financial Professionals
2016 South Florida Legal Guide – Top CPAs and Financial Professionals
2015 South Florida Legal Guide – Top CPAs and Financial Professionals
2014 South Florida Legal Guide – Top CPAs and Financial Professionals
2013 South Florida Legal Guide – Top CPAs and Financial Professionals
2012 South Florida Legal Guide – Top CPAs and Financial Professionals
2009 Daily Business Review – Most Effective Lawyers: South Florida
Broward League of Cities - President's Award – 2006/2007
B'Nai Aviv – President's Award – 2004
Broward County Young Democrats – Trailblazer of the Year Award - 2003
United States Department of Justice – Drug Enforcement Administration – Certificate of Appreciation – 1995
Named Mayor of the Year – 2017 – Broward County Professional Firefighters and Paramedics

Speaking Engagements/Publishing/Apearances

American Bankruptcy Institute – Winter Leadership Conference – 2017
International Clawbacks – How Long Is The Arm Holding The Claw - Panelist

The Florida Bar Out-of-State Division/State-To State - Fall 2017
An Introduction to Assignments for the Benefit of Creditors

New York Law Journal – Outside Counsel – September 2, 2015
Non-Bankruptcy Alternative: Assignments for the Benefit of Creditors

American Bar Association – Corporate Governance Committee – August 6, 2015
Webinar - Panel Discussion – Who Will Be There To Shut Out The Lights

Daily Business Review – June 16, 2015
ABCs: Easier and Cheaper Than Bankruptcy

The Florida Bar – Business Law Section – Bankruptcy Court Evidence: Boot Camp – May 2015
Participant in Mock Trial

American Bar Association – Business Law Section Annual Spring Meeting – Corporate Governance Committee - April 2015
Panel Discussion – Who Will Be There To Shut Out The Lights -

The Florida Bar – Business Law Section – Bankruptcy/UCC Committee – June 2014
Panel Discussion - State Law Receiverships

The Florida Bar – Business Law Section – Bankruptcy/UCC Committee – May 2014
Professional Fiduciary: Responsibilities and Duties - Panel Discussion - Receivership Basics

CNN – December 2013
Fraud Specialist - Target Credit Card Hacking Incident

Office of the Attorney General – State of Florida – July 2013
Consumer Protection Summer Conference - Receivership Panel

Turnaround Management Association – May 2013
Government Budgets and Related Issues

South Florida Legal Guide - Financial Edition – October 2012
Choosing A Proper Fiduciary

In Session – CNN – October 2012
Fraud Specialist – Illinois v. Kristin Holzman

Florida State Firefighter Convention, International Association of Fire Fighters – IAFF
Designing and Implementing Sustainable Pension Programs, June 2012

Office of the Attorney General – State of Florida – June 2012
Economic Crimes Litigation Unit Summer Conference
Injunction/Asset Freeze/Receivership Panel

The 4th National Municipal Bond Summit – March 2012
The Politics of Restructuring

Financial Stress in Governments, Wharton School of the University of Pennsylvania
Hosted by Fels Institute of Government
Basics of Restructuring: What a Restructured Government Might Look Like
January 2012

The Florida Bar – Business Law Section – Bankruptcy/UCC Committee - August 2010
Hot Topics in Assignment for the Benefit of Creditors Since the 2007 Amendments

South Florida Business Journal – August 2002
Internet Adds New Twist To Traditional Acts of Fraud

Daniel J. Stermer
Fiduciary Matter and Other Highlights

Mr. Stermer served as Receiver for the Hess Kennedy Receivership Estate, a matter commenced by the Florida Attorney General's Office alleging deceptive and unfair trade practice act violations against a number of debt settlement and debt consolidation entities which failed to provide services as promised to more than 90,000 consumer clients nationwide. As Receiver, Mr. Stermer obtained in excess of \$150 million in debt forgiveness for consumers, tradeline deletions for more than 15,000 consumers, and has conducted an extensive claims procedure including more than 20,000 submitted claims, resulting in a \$0.305-per-Approved-Claimant distribution.

Mr. Stermer also served as Assignee for the benefit of creditors, in state court liquidation proceedings, of Global Bullion Exchange, LLC, and an affiliated entity that were involved in a Ponzi scheme involving the sale of precious metals and coins to consumers across the country. The United States Attorney's Office prosecuted the principal of Global, resulting in a term of incarceration of 151 months in addition to entry of a restitution order in excess of \$17.4 million.

Additional Highlights:

- Appointed Trustee of a Creditor Trust in a pending bankruptcy matter to investigate and prosecute causes of action involving
- Appointed Chief Restructuring Officer in a bankruptcy matter of an entity that owns a shopping center where the Stakeholders are deadlocked
- Appointed Corporate Monitor in a guardianship proceeding of a home health agency
- Appointed Receiver in a state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practice related to computer tech support firms
- Appointed Receiver in a state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practices related to a debt management firm
- Appointed Receiver in a state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practices related to real property land trust entities
- Appointed Receiver in a state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practices related to travel related entities
- Appointed Receiver in a state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practices related to an automobile loan modification company
- Appointed Receiver in state enforcement action, particularly Office of Financial Regulation, alleging deceptive practices related to a mortgage modification business
- Appointed Receiver in state enforcement action, particularly Office of the Attorney General, alleging deceptive trade practices related to debt settlement/consolidation services

- Appointed Trustee in a criminal prosecution commenced by the United States Attorney's Office as a condition of bail for an individual defendant
- Appointed Receiver in a federal enforcement action, particularly Securities and Exchange Commission, alleging deceptive practices related to the sale of unregistered securities
- Mayor, City of Weston, Florida, 2012 to 2020, ending his term due to term limits
- Commissioner, City of Weston, Florida, 2002 through 2010, ending his term due to term limits
- Named in the 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 South Florida Legal Guide's list of Top CPA and Financial Professionals; and in the 2009 Daily Business Review's list of Most Effective Lawyers – South Florida

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DANIEL J. STERMER
FIDUCIARY APPOINTMENTS
AS OF SEPTEMBER 2021

<u>CASE NAME</u>	<u>FIDUCIARY CAPACITY</u>	<u>CASE NO.</u>	<u>COURT</u>	<u>SYNOPSIS</u>
Pacific Ltd. Corp.	Assignee for the Benefit of Creditors	2021-000932-CA (43)	11th Judicial Circuit Miami-Dade County, Florida	Sale of resins and related products
In re: Arnold Katz	Liquidating Trustee	19-15991-MAM	United States Bankruptcy Ct. Southern District of Florida West Palm Beach Division	Sale of Limited Membership Interests
In re: Melbourne Beach, LLC	Chief Restructuring Officer	17-bk-07975-KSJ	United States Bankruptcy Ct. Middle District of Florida Orlando Division	Shopping Center
In re: ATIF, Inc.	Litigation Trustee	17-bk-01712-FMD	United States Bankruptcy Ct. Middle District of Florida Ft. Myers Division	Title Insurance Fund
HMC Assets, LLC Solely in its Capacity as Separate Trustee for Civic Holdings V-C Trust v. Walter Puls, et al.	Receiver	18-000707-CACE	17 th Judicial Circuit Broward County, Florida	Real Estate Foreclosure
Residential Mortgage Loan Trust I, by US Bank National Association, Not in its Individual Capacity but Solely as Legal Title Trustee v. Bruno One, Inc. et al	Receiver	18-CA-005965	13 th Judicial Circuit, Hillsborough County, Florida	Real Estate Foreclosure
Revolving Mortgage Investment Trust 2017-BRQ1, U.S. National Association, Not in its Capacity but Solely as Trustee v. Jotanoma, LLC et al	Receiver	2018-CA-000429	12 th Judicial Circuit, Sarasota County, Florida	Real Estate Foreclosure
HMC Assets, LLC v. Doreen Foster	Receiver	17-023082-CACE	17 th Judicial Circuit Broward County, Florida	Real Estate Foreclosure
Ricardo Da Veigarassam Cortese v. Ram Khurana, et al.	Receiver	14-CA-014172-Div MB	15 th Judicial Circuit Palm Beach County, Florida	Vehicle Sales/Repair
In re: Guardianship of Enrique Bassas, Sr., Ward	Corporate Monitor	15-1842 GD 01	11 th Judicial Circuit Miami-Dade County, Florida	Home Health Agency
Office of the Attorney General, Department of Legal Affairs, State of Florida v. Client Experts Care, LLC, f/k/a First Choice Tech Support, LLC, Client Care Experts, Inc., Michael Seward, and Kevin McCormick	Receiver	16-CA-006963-Div AG	15 th Judicial Circuit Palm Beach County, Florida	Computer Tech Support Firms
Office of the Attorney General, Department of Legal Affairs, State of Florida v. Financial Help Services, Inc., Nation Wide Consumer Debt Relief, Inc., and Bobby R. Blackmon	Receiver	15-012403-CA-14	17 th Judicial Circuit Broward County, Florida	Debt Management Firm

DANIEL J. STERMER
FIDUCIARY APPOINTMENTS
AS OF SEPTEMBER 2021

<u>CASE NAME</u>	<u>FIDUCIARY CAPACITY</u>	<u>CASE NO.</u>	<u>COURT</u>	<u>SYNOPSIS</u>
CWI Real Estate, Inc.	Assignee for the Benefit of Creditors	15 CA 001990	4 th Judicial Circuit Duval County, Florida	Bank Holding Company
Minimalist Solutions, Inc.	Assignee for the Benefit of Creditors	14-28949-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Check Cashing Store(s)
MIA Design Group, LLC	Assignee for the Benefit of Creditors	14-20287-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Printing Firm
Office of the Attorney General, Department of Legal Affairs, State of Florida v. Robert J. Vitale, The Cambridge Land Trust Company, LLC, and The Hartford Land Trust Company, LLC	Receiver	13-19356-CA-12	17 th Judicial Circuit Broward County, Florida	Real Property Land Trust
State of Florida, Office of the Attorney General, Department of Legal Affairs v. Suncoast Incentives, LLC, ZRC Holdings, Inc. d/b/a Royal Palm Vacations et al.	Receiver	09-15842-CI-021	6 th Judicial Circuit Pinellas County, Florida	Travel Related Entities
FCS Services, Inc.	Assignee for the Benefit of Creditors	14-003074-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Security Guard Firm
Carver Ranches Community Development Corporation v. Carver Ranches Day Care Center and Kindergarten Association, Inc.	Receiver	10-30773-CA-09	17 th Judicial Circuit Broward County, Florida	Property Dispute Among Owners
Jorge C. Mederos v. The Palms at Dania Beach Condominium Association, Inc.	Receiver	12-031882-CA-09	17 th Judicial Circuit Broward County, Florida	Condominium Association governance issues
Office of the Attorney General, Department of Legal Affairs, State of Florida v. Relief Group International, LLC, Auto Relief Group, LLC, Auto Relief Group II, LLC, et al.	Receiver	10-25743-CA-09	17 th Judicial Circuit Broward County, Florida	Automobile Loan Modification Company
GWP Aventura Land LLC v. Carolyn Pappas Jackson, Steven Joseph Pappas, as Trustee, and Brian James Pappas	Receiver	10-23667-CA-13	11 th Judicial Circuit Miami-Dade County, Florida	Breach of Contract Real Estate Foreclosure
TBOM v. Canty	Receiver	10-03052-CA-14	17 th Judicial Circuit Broward County, Florida	Real Estate Foreclosure
Diversified Investment Group, Inc.	Assignee for the Benefit of Creditors	10-03076-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Precious Metal Broker
Global Bullion Exchange, LLC	Assignee for the Benefit of Creditors	10-03077-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Precious Metal Broker

DANIEL J. STERMER
FIDUCIARY APPOINTMENTS
AS OF SEPTEMBER 2021

<u>CASE NAME</u>	<u>FIDUCIARY CAPACITY</u>	<u>CASE NO.</u>	<u>COURT</u>	<u>SYNOPSIS</u>
Peer Center, Inc.	Assignee for the Benefit of Creditors	09-15728-CA-05	17 th Judicial Circuit Broward County, Florida	Not for Profit Mental Health Provider Who Lost DCF Funding
Fieldstone Lester Shear & Denberg, LLP	Receiver	09-00434-CA-40	11 th Judicial Circuit Miami-Dade County, Florida	Law Firm Dissolution
State of Florida, Office of Financial Regulation vs. Outreach Housing, Inc. and Blair Wright	Receiver	09-05218-CA-12	17 th Judicial Circuit Broward County, Florida	Mortgage Modification Company
Wesoloski v. Paredes	Receiver	07-010265-CA-09	17 th Judicial Circuit Broward County, Florida	Property Dispute/Ejectment
Office of the Attorney General, Department of Legal Affairs, State of Florida v. Laura L. Hess, Esq., Laura Hess & Associates, P.A., Hess Kennedy Chartered, LLC and The Consumer Law Center, LLC, et al	Receiver	08-007686-CA-08	17 th Judicial Circuit Broward County, Florida	Debt Settlement/Debt Management Processing
Crabtree South, Inc.	Chief Restructuring Officer Assignor	08-19795-CA-21	17 th Judicial Circuit Broward County, Florida	Used Car Sales
United States of America v. Frank O'Donnell	Trustee	06-60184-CR-COHN	US District Court Southern District of Florida Fort Lauderdale, Florida	Trustee for Family Trust As Condition of Bail
Velisarios v. Koutsofios	Receiver	03-07034-CA-14	17 th Judicial Circuit Broward County, Florida	In Aid of Execution
Securities and Exchange Commission v. Virtual Cash Card, LLC d/b/a Virtual Cash, Eric L. Turner, Kenneth M. May, Omni Advertising, and Anthony Pinone	Receiver	02-61672-CIV-COHN/SNOW	U.S. District Court Southern District of Florida Fort Lauderdale, Florida	Sale of Unregistered Securities – Accounts Receivable Purchase Agreements

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DEFENDANT WELLS FARGO BANK, N.A.'S
MOTION TO DISMISS

Exhibit B

**Complaint for Temporary and Permanent Injunction, Appointment of Receiver,
Restitution, Civil Penalties, and Other Statutory and Equitable Relief Consent**

Stermer v. Wells Fargo Bank, N.A.
Case No.: 50-2024-CA-004345
Southern District of Florida, Miami Division

Filing # 130496585 E-Filed 07/12/2021 06:32:58 PM

**IN THE CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA
CIVIL DIVISION**

STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

vs.

CASE NO.:

NATIONAL SENIOR INSURANCE, INC.
D/B/A SEEMAN HOLTZ,
MARSHAL SEEMAN,
CENTURION INSURANCE SERVICES GROUP, LLC,
BRIAN J. SCHWARTZ,
EMERALD ASSETS 2018, LLC,
INTEGRITY ASSETS 2016, LLC,
INTERGRITY ASSETS, LLC,
PARA LONGEVITY 2014-5, LLC,
PARA LONGEVITY 2015-3, LLC,
PARA LONGEVITY 2015-5, LLC
PARA LONGEVITY 2016-3, LLC,
PARA LONGEVITY 2016-5, LLC,
PARA LONGEVITY 2018-3, LLC,
PARA LONGEVITY 2018-5, LLC,
PARA LONGEVITY 2019-3, LLC,
PARA LONGEVITY 2019-5, LLC,
PARA LONGEVITY 2019-6, LLC,
PARA LONGEVITY VI, LLC,
SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC,
ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC,
VALENTINO GLOBAL HOLDINGS, LLC,
AMERITONIAN ENTERPRISES, LLC,
SEEMAN-HOLTZ CONSULTING CORP.,
CENTURION ISG Holdings, LLC,
CENTURION ISG Holdings II, LLC,
CENTURION ISG (Europe) Limited,
CENTURION ISG SERVICES, LLC,
CENTURION ISG FINANCE GROUP LLC,
CENTURION FUNDING SPV I LLC,
CENTURION FUNDING SPV II LLC,
GRACE HOLDINGS FINANCIAL, LLC,
PRIME SHORT TERM CREDIT INC.,

Defendants,

THE ESTATE OF ERIC CHARLES HOLTZ,
SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC
F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC.,
SHPC HOLDINGS I, LLC,

Relief Defendants.

**COMPLAINT FOR TEMPORARY AND PERMANENT INJUNCTION,
APPOINTMENT OF RECEIVER, RESTITUTION, CIVIL PENALTIES, AND
OTHER STATUTORY AND EQUITABLE RELIEF**

Plaintiff, State of Florida, Office of Financial Regulation (“OFR”), the state agency authorized to enforce chapter 517, Florida Statutes, the *Florida Securities and Investor Protection Act*, files this Complaint for injunctive relief, the appointment of a receiver, restitution, civil penalties, and other statutory and equitable relief as authorized by § 517.191, Florida Statutes, and alleges as follows with respect to the Defendants and the Relief Defendants described herein:

SUMMARY OF CLAIM

1. This civil action seeks to halt the securities fraud scheme and common enterprise operated and controlled by Defendant Marshal Seeman (“Seeman”) and Seeman’s recently deceased business partner, Eric Charles Holtz (“Holtz”) from Boca Raton, Florida. Seeman and Holtz were assisted in the scheme and enterprise (the “SH Enterprise”) by Defendant Brian J. Schwartz (“Schwartz”), who primarily acted as the SH Enterprise’s untitled chief financial officer. As part of the SH Enterprise, Seeman, Holtz and Schwartz (“SH&S”) created and operated a myriad of corporate entities, certain of which are named as Defendants or Relief Defendants in this Complaint and certain of which are no longer active corporate entities. Generally, Seeman acted as the chief executive officer of the SH Enterprise, Holtz focused on sales and marketing, and Schwartz

focused on financials and accounting. The SH Enterprise raised more than \$400 million in capital since 2011, through the sale of unregistered securities in the form of purportedly secured promissory notes (“notes”). On information and belief, there are currently more than \$300 million in outstanding notes held by more than 1,000 current investors, many holding more than one note.

2. The notes were purportedly secured by viaticated life settlement policies (“life settlements” or “policies”) and other insurance-related assets. Investors were misled regarding the SH Enterprise’s profitability, the existence of sufficient life settlements and other assets securing their investments, and the perfection of security interests in those assets. The SH Enterprise is a Ponzi-like scheme as new investor monies were commingled within the common enterprise and used to repay prior investors in the ongoing scheme thereby providing the appearance of profitability. SH&S received unjust enrichment from the commingled proceeds of the SH Enterprise’s unlawful financing scheme as salaries and management fees. SH&S also misappropriated investor funds by not using investor funds as described in offering materials but instead using the proceeds to fund the SH Enterprise’s operation and to make Ponzi-type payments to investors.

3. At present, the SH Enterprise note program is believed to have at least \$300 million in liabilities and assets of approximately \$110 million. As of at least May 2021, and as provided in a growing number of civil suits filed by individual investors, the SH Enterprise was not paying interest to note holders and is failing to return their principal upon expiration of the terms of the notes. Certain stock interests in an insurance agency acquisition and consolidation company (Relief Defendant Seeman Holtz Property and Casualty, LLC) that were purportedly pledged by a holding company controlled by Seeman

and Holtz (Relief Defendant SHPC Holdings I, LLC) to make up the note program shortfall, were, upon information and belief, foreclosed in June 2021 through collection efforts of that company's creditors.

4. To further the SH Enterprise, SH&S used affiliated/in-house insurance agent-employees, who were not registered with the OFR, to offer and sell the unregistered notes, thereby operating as an unregistered securities dealer. SH&S mischaracterized the sales agents' compensation as insurance client servicing fees to mislead the OFR and other securities regulators. Notes were also sold to certain investors who were not qualified as accredited investors.

5. The SH Enterprise entity employing the sales agents (Defendant National Senior Insurance, Inc. d/b/a Seeman Holtz), and the sales agents, also acted as unregistered investment advisers, holding themselves out through advertisements as wealth managers, as "a leader in pre and post retirement planning," and as a "comprehensive advisory," and by providing services as to the advisability of investing in the note securities. These parties for the benefit of the SH Enterprise also facilitated the liquidation of other securities and IRA holdings and investors' use of self-directed IRAs to purchase the notes.

6. The note securities were not registered with the OFR, exempt from registration, or federal covered securities. SH&S has also misled the OFR as to ongoing fund-raising activities involving the offer and sale of additional unregistered securities in the form of stock. The OFR recently discovered that the SH Enterprise utilizes the same sales agents to solicit existing note investors and others to purchase stock in Defendant Prime Short Term Credit Inc. ("PSTC"). In at least one instance, Holtz told a sales agent that PSTC was "partnering" with "Seeman Holtz." Holtz also facilitated a higher dividend

rate on the stock for an investor. Bank records through April 2021 indicate the majority of investor funds provided to PSTC in connection with stock purchases by note investors are quickly transferred to the SH Enterprise and commingled. On information and belief, these stock sales are continuing. The PSTC stock shares were not registered with the OFR, exempt from registration, or federal covered securities.

7. The activities of SH&S and the SH Enterprise entity Defendants are in violation of various provisions of chapter 517, Florida Statutes, including §§ 517.301, 517.12, and 517.07, Florida Statutes.

JURISDICTION AND VENUE

8. This action is specifically authorized by § 517.191(1), Florida Statutes, which authorizes the OFR to bring this action before this Court to enjoin persons from violations of chapter 517, Florida Statutes, and to enjoin any other persons concerned in or in any way participating in or about to participate in such practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter.

9. Section 517.191(1), Florida Statutes, further provides that in any such action the equity courts shall have jurisdiction of the subject matter, and a judgment may be entered awarding such injunction as may be proper.

10. The relief sought is further authorized by § 517.191(2), Florida Statutes, which provides for the appointment of a statutory receiver, and as well by the Court's inherent equitable power to appoint a receiver.

11. The relief sought is further authorized by § 517.191(2) and (3), Florida Statutes, which respectively provide for an order of restitution and the imposition of civil penalties.

12. This action is within the jurisdiction of this Court under Article V, § 5(b) of the Constitution of the State of Florida, which identifies Circuit Court Jurisdiction, and by operation of § 26.012(2)(c) and (3), Florida Statutes, which identifies Circuit Court jurisdiction in cases in equity and authorizes the issuance of injunctions.

13. This action seeks restraint of acts and practices of the Defendants and Relief Defendants that have occurred, are occurring or are about to occur in and from Palm County, Florida, and from counties throughout the State of Florida.

14. Venue is proper in Palm Beach County, Florida, as the Defendants and Relief Defendants are principally located in Palm Beach County and the Defendants issued securities and accepted deposits from offices within Palm Beach County.

PARTIES, CORPORATE RELATIONSHIPS, AND NON-PARTIES

15. Plaintiff OFR is the State of Florida agency responsible for the regulation of the securities industry pursuant to § 20.121(3)(a)2 and § 517.03, Florida Statutes.

16. Defendant NATIONAL SENIOR INSURANCE, INC. D/B/A SEEMAN HOLTZ (“National Senior Insurance”) is a Florida corporation doing business from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Palm Beach County, Florida.

17. Defendant SEEMAN is an adult, natural person who upon information and belief resides in Boca Raton, Palm Beach County, Florida.

18. HOLTZ was an adult, natural person who, upon information and belief, passed away on or about June 11, 2021, and resided in Sea Ranch Lakes, Broward County, Florida.

19. The OFR brings this action against Relief Defendant THE ESTATE OF ERIC HOLTZ (“Holtz Estate”) and any successor in interest, any personal representative

or administrator of the Holtz Estate for restitution, the return of ill-gotten gains, and unjust enrichment.

20. During all times material hereto, Seeman and Holtz were the principals, managers, and 100% owners of National Senior Insurance, serving respectively as president and vice president.

21. Defendant CENTURION INSURANCE SERVICES GROUP, LLC (“Centurion”) is an Ohio limited liability company formed on March 4, 2011, that has operated since February 2015 from the SH Enterprise’s offices located at 301 East Yamato Road, Boca Raton, Florida.

22. Defendant SCHWARTZ is an adult, natural person who has been a Florida resident since February 2015, and upon information and belief resides in Boca Raton, Palm Beach County, Florida.

23. During all times material hereto, SH&S were the principal officers and indirect owners of Centurion, collectively holding 100% of such ownership interests through the following Defendants ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC; VALENTINO GLOBAL HOLDINGS, LLC; and AMERITONIAN ENTERPRISES, LLC.

24. The term “Private Placement Entity” or “PPE” was utilized by the Defendants when referring to a limited liability company that was organized by Seeman and Holtz and that issued purportedly secured promissory notes as part of the Defendants’ investment enterprise.

25. Defendants EMERALD ASSETS 2018, LLC (“Emerald 2018”); INTEGRITY ASSETS 2016, LLC (“Integrity 2016”); INTEGRITY ASSETS, LLC

(“Integrity”); PARA LONGEVITY 2014-5, LLC (“PL 2014-5”); PARA LONGEVITY 2015-3, LLC (“PL 2015-3”); PARA LONGEVITY 2015-5, LLC (“PL 2015-5”); PARA LONGEVITY 2016-3, LLC (“PL 2016-3”); PARA LONGEVITY 2018-3, LLC (“PL 2018-3”); PARA LONGEVITY 2018-5, LLC (“PL 2018-5”); PARA LONGEVITY 2019-3, LLC (“PL 2019-3”); PARA LONGEVITY 2019-5, LLC (“PL 2019-5”); PARA LONGEVITY 2019-6, LLC (“PL 2019-6”); PARA LONGEVITY VI, LLC (“PL VI”); and SH GLOBAL, LLC N/K/A PARA LONGEVITY V, LLC (“SH Global”) (each of the above collectively, the “Defendant Private Placement Entities” or the “Defendant PPEs”) are Georgia limited liability companies. Seeman and Holtz, now the Holtz Estate, are the sole owners, directly or indirectly, and member managers of each of the PPEs. Although not registered to do business in Florida through the Florida Secretary of State, the Defendant PPEs were operated from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and offered, sold, and issued promissory notes from offices in Florida.

26. Defendant VALENTINO GLOBAL HOLDINGS, LLC (“Valentino”) is a Delaware limited liability company controlled by Defendant Seeman, who served as its sole member at all times material hereto. On information and belief, Relief Defendant Valentino owns one-third of Centurion and Centurion’s related subsidiaries, described below. Valentino is operated from Florida by Seeman, a Florida resident.

27. Defendant ALTRAI GLOBAL, LLC A/K/A ALTRAI HOLDINGS, LLC (“Altrai”) is a Delaware limited liability company controlled by Holtz until his passing. Holtz served as its sole member at all times material hereto. On information and belief, Relief Defendant Altrai owns one-third of Centurion and its related subsidiaries, described below. Altrai was operated from Florida by Holtz, a Florida resident.

28. Defendant AMERITONIAN ENTERPRISES, LLC (“Ameritonian”) is a limited liability company controlled by Defendant Schwartz, who served as its sole member at all times material hereto. On information and belief, Relief Defendant Ameritonian owned one-third of Centurion and its related subsidiaries. Ameritonian is operated from Florida by Schwartz, a Florida resident.

29. Defendant SEEMAN-HOLTZ CONSULTING CORP. (“SH Consulting”) is a Florida corporation doing business from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida. On information and belief, and during any period of time material to this Complaint, Seeman and Holtz owned 100% of SH Consulting and respectively served as president and vice president.

30. Defendant CENTURION ISG HOLDINGS, LLC (“Centurion ISG Holdings”) is a Delaware limited liability company that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and is owned, directly or indirectly, and controlled by Seeman, Holtz, and Schwartz. On information and belief, Centurion ISG Holdings owns 50% of GEMS, LLC, an entity which owns 100% of Centurion SPV I.

31. Defendant CENTURION ISG HOLDINGS II, LLC (“Centurion ISG Holdings II”) is a Delaware limited liability company, that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and on information and belief is owned, directly or indirectly, and controlled by SH&S.

32. Defendant CENTURION ISG (EUROPE) LIMITED (“Centurion ISG (Europe)”) was an entity formed in Ireland to hold life settlement policies and limited liability and operated from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton,

Florida, and on information and belief was owned, directly or indirectly, and controlled by SH&S.

33. Defendant CENTURION ISG SERVICES, LLC (“Centurion ISG Services”) is a Delaware limited liability company that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and is on information and belief is owned, directly or indirectly, and controlled by SH&S.

34. Defendant CENTURION ISG FINANCE GROUP LLC (“Centurion Finance Group”) is a Delaware limited liability company that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and on information and belief is owned, directly or indirectly, and controlled by SH&S.

35. Defendant CENTURION FUNDING SPV I LLC (“Centurion SPV I”) is a Delaware limited liability company that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and on information and belief is owned by JEMS, LLC.

36. Defendant CENTURION FUNDING SPV II LLC (“Centurion SPV II”) is a Delaware limited liability company that operates from the SH Enterprise’s offices at 301 Yamato Road, Boca Raton, Florida, and on information and belief is owned, directly or indirectly, and controlled by SH&S.

37. Defendants Centurion ISG Holdings, Centurion ISG Holdings II, Centurion ISG (Europe), Centurion ISG Services, Centurion Finance Group, Centurion SPV I, and Centurion SPV II hereinafter will be referred to as the “Centurion Related Entities.”

38. Defendant GRACE HOLDINGS FINANCIAL, LLC (“Grace Holdings”) is a Delaware limited liability company that operated, on information and belief, from the SH

Enterprise's offices and through agents, including Schwartz and National Senior Insurance and Centurion employees controlled by SH&S, located at 301 East Yamato Road, Boca Raton, Florida.

39. Defendant PSTC is a Delaware corporation with a principal place of business at 1219 Greenwood Drive, Wheaton, Illinois 60189. PSTC also indicates it does business from offices at 3N005 Woodview Drive, West Chicago, Illinois 60185. PSTC offers and sells securities in the State of Florida to Florida residents in the form of preferred stock, which PSTC issues.

40. Relief Defendant SEEMAN HOLTZ PROPERTY AND CASUALTY, LLC F/K/A SEEMAN HOLTZ PROPERTY AND CASUALTY, INC. ("SHPC LLC") is a Delaware limited liability company that operated from principal offices located at 301 East Yamato Road, Boca Raton, Florida. During all times material hereto, Seeman and Holtz were the majority owners and principal officers of SHPC LLC. SHPC LLC is in the business of buying and managing insurance agencies in Florida and in other states.

41. Relief Defendant SHPC HOLDINGS I, LLC ("SHPC Holdings") is an active Delaware limited liability company that operated from principal offices located at 301 East Yamato Road, Boca Raton, Florida. On information and belief, Seeman and Holtz were 100% owners of SHPC Holdings and served as the managers of SHPC Holdings.

42. Non-Party Coral Gables Title and Escrow, Inc. n/k/a Coral Gables Collateral Agency, Inc. ("Coral Gables Title and Escrow"), is a Florida corporation, doing business from offices in Miami, Florida.

43. Non-Party Coral Gables Title, Inc. (“Coral Gables Title”) is an active Florida corporation organized on November 20, 2018, doing business from offices in Miami, Florida.

**STATEMENT OF FACTS AND THE DEFENDANTS’
COURSE OF CONDUCT RELEVANT TO ALL COUNTS**

**THE NOTE PROGRAM
AND THE STRUCTURE OF THE SH ENTERPRISE**

44. As early as the mid-2000’s, when the life settlement industry was in its infancy, Defendants Seeman and Holtz were active in buying and selling life settlements in addition to their then principal business of selling life insurance and other insurance products through National Senior Insurance, from offices in Boca Raton, Florida.

45. Since 2011, Seeman and Holtz as president and vice president of National Senior Insurance respectively, and as its 100% owners, have managed and controlled National Senior Insurance and its sales agents. These sales agents would become the vehicle through which the SH Enterprise’s unregistered securities were offered and sold. At all times material to this Complaint, Seeman and Holtz were each authorized signatories on National Senior Insurance’s bank accounts, and most checks were issued utilizing Seeman’s name as the signatory.

46. Holtz interacted extensively with the sales agents and was essentially the note program’s sales and marketing manager. Seeman was responsible for policy issues and attended quarterly sales meetings. Sales agents escalated client complaints about the slowness and later stoppage of note repayments to Seeman. Certain complaints and alternative repayment schedules were negotiated by Schwartz, although promised repayments are in various stages of default. Seeman also told certain agents that they

should be wary of OFR inquiries and hire the same attorney as Seeman. On at least one occasion, Seeman actively discouraged a sales agent's cooperation with OFR.

47. By 2011, if not earlier, Seeman and Holtz began to raise capital through unregistered promissory note offerings to individual investors to fund the SH Enterprise's life settlement purchases.

48. In 2011, as part of the SH Enterprise, SH&S formed Defendant Centurion, an Ohio LLC, which was initially managed by Schwartz from offices in Ohio. Centurion was formed for use by the SH Enterprise to facilitate the purchase, holding and servicing of the life settlement portfolio that was acquired with investor funds. As further described below, the Defendant PPEs later loaned funds directly to Centurion so Centurion and the subsequently formed Centurion Related Entities could purchase, hold and service the life settlement portfolio. Schwartz served as president and chief executive officer of Centurion. Schwartz was the sole signatory on Centurion's bank accounts and on information and belief had signature authority on securities intermediary accounts holding life settlements.

49. According to Seeman, in response to an OFR inquiry, Seeman's and Holtz's names were not listed as officers of Centurion, as "...[t]he life insurance companies don't like people who own life settlements who are selling life insurance policies... [s]o that would be our intent to not be officers of a company that owns life settlements..." Instead, Centurion was nominally owned, operated, and controlled by three limited liability companies, Defendants Valentino, Altrai, and Ameritonian. Each of these entities owned one-third of Centurion, with Seeman owning Valentino, Holtz owning Altrai, and Schwartz owning Ameritonian.

50. By 2013, the SH Enterprise had raised approximately \$58 million in funds primarily from individual investors utilizing a growing group of SH Enterprise related entities to perform tasks in furtherance of SH Enterprise's scheme.

51. By 2013, SH&S focused on holding the life settlement policies long term, which included increasingly costly obligations to make premium payments and pay investors their promised returns.

52. SH&S raised funds for this purpose through a series of PPEs. Each PPE was registered as a Georgia limited liability company. A new PPE was typically formed near the time of, or following the closing of an earlier PPE's note offering. Each PPE limited liability company was 50% owned by Seeman and 50% owned by Holtz as member managers. Seeman and Holtz were also the only signatories on PPE bank accounts. At all times material to this Complaint, each PPE was operated and managed by Seeman and Holtz from the SH Enterprise's corporate offices in Boca Raton.

53. By 2013, funds raised by the individual PPEs were not being directly invested in life settlements by the respective PPEs. Instead, investors' funds were transferred to Centurion and characterized as term loans from a PPE to Centurion, with interest payments to occur annually, unless extended by the PPE, which subsequently became common place. In certain loan records documenting these transactions, the face amount of the interest rate charged by the PPE to loan funds to Centurion was lower than the interest rate promised by the PPE to the individual note investors, who were essentially funding these loans.

54. In February 2015, Schwartz moved from Ohio to Florida and worked from the SH Enterprise's Boca Raton offices. While Schwartz was the president and chief

executive officer of Centurion, Schwartz's salary was at times paid by National Senior Insurance. On information and belief, Schwartz had several roles in the SH Enterprise including but not limited to: 1) operating Centurion without disclosing Seeman and Holtz's roles to the public; 2) overseeing the deposit of incoming investor funds into PPE accounts; 3) overseeing the rapid transfer of funds thereafter from the PPE accounts to Centurion's account via wire transfers; 4) overseeing the rapid disbursement of funds back to earlier PPEs to repay earlier investors or to fund life settlement obligations (the latter, occurring prior to Centurion obtaining a credit facility for premium payments in December 2018); and 5) accounting for the large number of back-to-back bank transactions each day. Schwartz has also performed work for specific PPEs by negotiating repayment timetables with investors whose payments were untimely, without fully disclosing that the SH Enterprise was essentially insolvent (as further described below) and without fully disclosing that these future payments were dependent on the SH Enterprise's ability to raise additional new capital or receive asset transfers from SHPC Holdings or SHPC LLC, which also were facing insolvency issues.

55. To further the SH Enterprise's illusion that the note program was not one large-integrated securities offering, each PPE typically had a numerical reference in the entity name indicating the primary year of the note offering followed by a number indicating the length of the note term in years, such as "Para Longevity 2014-5."

56. The promissory notes' material terms were substantially similar. Each noteholder entered into a promissory note with the PPE, pursuant to which the PPE agreed to pay interest to the investor over a certain specified period of time. Upon maturity of the note, the PPE agreed to return to the investor the original principal amount invested. The

investment period on the notes ranged from between 4 to 60 months, with the average being slightly over 30 months.

57. The interest rate on the notes was substantially higher than the rate an investor could receive from a financial institution by investing in a Certificate of Deposit or other low risk investment products. Typically, the average annual interest rate identified on the PPE's Notes was over 10% and ranged from about 7.25% to 18%. The investors could choose to receive their interest payment either monthly or quarterly, and some investors were allowed to defer the periodic interest to receive an even higher promised return.

58. Each PPE also charged a management fee ranging from 1% to 10% on gross proceeds of the sale of the PPE's notes. The management fee was to be paid to the issuing PPE's "Managing Member." Defendant SH Consulting was the entity through which these fees were typically collected, rather than by direct payments from the PPE to the PPE's managing member. On information and belief, SH Consulting dispersed funds directly or indirectly to Seeman and Holtz as well as SH Enterprise entities, further commingling the funds.

PPMs

59. Each of the PPEs used a Private Placement Memorandum ("PPM") in connection with each of the offerings which described the purported investment opportunity, risk of loss, and other material matters.

60. Generally, the PPMs stated that the minimum investment available was \$50,000, although the PPE's managing member had the right to accept subscriptions for lesser amounts.

61. The PPMs acknowledged that the promissory notes were securities subject to state and federal securities laws and indicated that only “accredited investors” were eligible to purchase the securities. Although Seeman and Holtz represented to the OFR that all notes were sold to accredited investors and that one or both of them participated in each sale, some of the investors were not accredited, and some of the non-accredited and accredited investors who purchased notes did not deal with Seeman or Holtz at any time during the offer and sale of the notes.

**ACTING AS A SECURITIES DEALER,
USING UNREGISTERED SALES AGENTS,
AND TOTAL PPE NOTE SALES**

62. As part of the enterprise, notes issued by each of these successively formed PPEs were offered and sold by insurance agents (“sales agents”) affiliated with Seeman and Holtz’s insurance agency, Defendant National Senior Insurance. The sales agents offered the notes to existing insurance customers and other potential investors discovered through free lunch seminars and internet advertisements touting financial advice and insurance products.

63. The PPEs, as issuers of the notes, did not employ the sales agents. Instead, the sales agents were directly employed by National Senior Insurance, which was not registered with the OFR as a securities dealer, or in any other capacity during any period of time material to this Complaint.

64. SH&S, the PPEs, and the other Defendants as well as the sales agents were not registered with the OFR as securities dealers, as associated persons of a securities dealer, as securities issuers, or as investment advisers or associated persons of an

investment adviser, pursuant to § 517.12, Florida Statutes, during any period of time material to this Complaint.

65. The sales agents directly participated in the note offerings and sales in various ways, including: introducing investors to PPE offerings, providing PPMs and other related documents, answering investor questions, filling out subscription agreements for investor signatures, filling out questionnaires about an investor's status as an "accredited investor," obtaining purchase checks from investors, returning checks to National Senior Insurance and Centurion, and at the end of the note's term similarly working with investors on rollover transactions.

66. Typically, the sales agents reported directly to Holtz. On information and belief, Holtz principally determined each sales agent's compensation, which was paid by National Senior Insurance and which included compensation for note sales. The sales agents had quarterly group meetings during which PPE note sales and insurance sales were discussed with Holtz. Seeman also attended the meetings. The offer and sale of notes was a component of the sales agents' employment and agents were evaluated based on, among other things, the amount of note sales. On information and belief, in approximately 2015, Seeman and Holtz changed the terminology used to describe the sales agents' compensation, switching from commission to "salary," with compensation still tied to overall note and insurance sales, and evaluated quarterly. In approximately 2017, sales agents' compensation was renamed "client service pay." These changes, on information and belief, were made by the SH Enterprise to conceal the payment of compensation for note sales. Four of the most productive sales agents had salaries in 2019 in excess of \$300,000.

67. The sales agents were paid compensation by National Senior Insurance for the offer and sale of the promissory notes. As such, these sales agents were not bona fide employees of the PPE issuers but bona fide employees of National Senior Insurance, which was acting as a securities dealer. The sales agents were therefore acting as unregistered associated persons of an unregistered securities dealer.

68. The SH Enterprise, through Seeman, Holtz, Schwartz, National Senior Insurance and their sales agents, offered and sold the note securities to Florida investors and investors from other states, which were issued by the PPEs, as follows:

<u>Private Placement Entity</u>	<u>Amount in PPM</u>	<u>Amount Raised</u>	<u># of Investors</u>	<u>1st Sale</u>
Emerald Assets 2018, LLC	\$ 15,000,000	\$ 28,100,000	290	6/2017
Integrity Assets 2016, LLC	\$ 25,000,000	\$ 1,600,000	15	4/2016
Integrity Assets 2017, LLC	\$ 25,000,000	\$133,800,000	1,412	4/2016
Para Longevity 2014-5, LLC	\$ 25,000,000	\$ 25,300,000	314	10/2013
Para Longevity 2015-3, LLC	\$ 25,000,000	\$ 12,700,000	176	1/2015
Para Longevity 2015-5, LLC	\$ 25,000,000	\$ 24,700,000	281	1/2015
Para Longevity 2016-3, LLC	\$ 25,000,000	\$ 13,900,000	178	1/2016
Para Longevity 2016-5, LLC	\$ 25,000,000	\$ 44,800,000	490	1/2016
Para Longevity 2018-3, LLC	\$ 25,000,000	\$ 20,400,000	267	6/2017
Para Longevity 2018-5, LLC	\$ 25,000,000	\$ 66,700,000	719	6/2017
Para Longevity 2019-3, LLC	\$100,000,000	\$ 275,000	5	4/2019
Para Longevity 2019-5, LLC	\$100,000,000	\$ 25,000	1	4/2019
Para Longevity 2019-6, LLC	\$100,000,000	\$ 745,000	9	4/2019
Para Longevity VI, LLC	\$100,000,000	\$ 12,100,000	84	2/2019
SH Global, LLC	\$ 25,000,000	\$ 34,600,000	208	4/2016

69. The PPE notes, as described herein, are securities as defined by Section 517.021(22), Florida Statutes. At all times material to this Complaint, the PPE notes were not registered with the OFR.

70. On information and belief, SH&S structured each PPE note offering as distinct from the other PPE note offerings to avoid registering the offerings with the OFR and to avoid detection by the OFR. The PPE notes are substantially similar in form, term, use of funds and issuer, and are part of the SH Enterprise's scheme of financing. The PPE note offerings are an unregistered-integrated offering.

71. The promissory notes were not exempt from registration with OFR pursuant to § 517.051, Florida Statutes; neither were the notes offered and sold in transactions that were exempt from registration with OFR pursuant to § 517.061, Florida Statutes; nor were the notes a federal covered security, as defined by § 517.021(10), Florida Statutes.

**MISREPRESENTATIONS AND OMISSIONS IN PPMs
REGARDING LIQUIDITY AND OWNERSHIP**

72. By fiscal year-end (“FYE”) December 31, 2015, the cash flow defects in this investment program were apparent to SH&S. On June 7, 2016, Centurion’s Certified Public Accountant issued a “going concern” opinion for Centurion focusing on growing liquidity demands and additional asset write-downs for FYE 2014, resulting in a net loss of \$22.9 million in 2015. As the need for cash and liquidity demands continued to increase, SH&S continued to accelerate note sales through the SH Enterprise’s sales agents, while failing to disclose the SH Enterprise’s consolidated financial position to the individual investors or in the PPMs.

73. By 2015, Centurion increasingly relied on new investor funds received from PPEs to meet its note obligations. Centurion identified cumulative total borrowings from the PPEs growing to \$135 million at FYE 2015; \$157 million at FYE 2016; \$193 million at FYE 2017; \$250 million at FYE 2018, and \$307 million at FYE 2019. While certain revenue was recognized by Centurion during these periods by claiming the increased value of its life settlement portfolio as the portfolio matured, such revenue did not keep pace with PPE borrowings and did not solve cash needs to pay investor returns or life settlement premiums. The growing Ponzi nature of this financing practice was apparent to SH&S as Centurion’s reported net worth was \$69 million at FYE 2015; \$76 million at FYE 2016; \$43 million at FYE 2017 (which included a “pledge” of shares by SH Holdings to

Centurion, purportedly valued at \$35 million, as an asset: absent this pledge, Centurion's net worth was \$8 million); \$128 million at FYE 2018 (also including the "pledge" of shares by SH Holdings to Centurion, then purportedly valued at \$198 million, as an asset: absent this pledge, Centurion had a negative net worth of \$70 million); and on information and belief, Centurion had a negative net worth of \$195 million at FYE 2019. The SH Enterprise's use of funds from new investors to pay old investors, rather than revenues from operations, also gave the appearance of profitability in order to gain new investors. Such activities are hallmarks of a Ponzi scheme.

74. Through 2018, the PPMs used to offer and sell notes represented that the financial condition of each PPE was not available to the prospective investor purportedly due to the PPE's "newly formed" status. The PPMs omitted disclosure of any relevant and material financial information about Centurion (e.g. that Centurion had received investor funds in the form of loans, that Centurion was operating at a loss, and that Centurion needed substantial additional liquidity in order to repay its existing loans to the PPEs). Instead, the PPMs made only superficial reference to the history of earlier-in-time PPEs and stated all were "current" on their obligations. Disclosure in these PPEs typically provided:

Because the Company is newly formed and has not conducted any material operations to date, the Company has not prepared any financial statements and has no material revenues, assets, business, books, records or agreements.

(PPM for PL 2018-5, page 20, underscore is in original PPM)

None of the promissory notes issued to investors by the Existing Affiliate Funds in the Prior Fund Offerings has matured, and all interest payments due to noteholders are current.

(PPM for PL 2018-5, page 25)

75. The PPMs issued at the direction of Seeman and Holtz also failed to disclose that Centurion's accountants had projected it would need \$27 million per year in years

2016 through 2020 to fund life settlement premium payments, aside from repaying its massive borrowings from the PPEs.

76. In or about 2015, Seeman and Holtz organized Relief Defendant SHPC LLC, which was formed for the purpose of purchasing insurance agencies. SHPC LLC was principally funded over time by more than \$150 million in loans received from a hedge fund. As discussed immediately below, SHPC LLC's name was first referenced in PPMs in 2019. On information and belief, Centurion loaned SHPC LLC over \$12.8 million, which was funded with investor note proceeds, although the current outstanding balance of those loans is unknown to the OFR.

77. The business and funding relationship (i.e., financial interdependence) between the PPEs and Centurion was not referenced in any of the PPMs until 2019. At that time, the PPMs for the PL 2019-3, PL 2019-5, and PL 2019-6, PL VI, and SH Global offerings ("the 2019 PPE offerings") disclosed for the first time that Centurion would receive investor funds in the form of loans from the PPEs which would be "secured" by Centurion's assets. However, on information and belief, the PPMs falsely and misleadingly represented that Centurion owned 77.5% of SHPC LLC. Specifically, the PPMs for the 2019 PPE offerings provided:

Company Purpose and Objectives:

The Company's purpose and objectives are to raise capital through the offering and sale of the Notes, use the net proceeds therefrom to make secured loans to its affiliate, Centurion (the "Centurion Loans")...

Centurion intends to use the proceeds ...to fund the operation and expansion of (a) Centurion's business of acquiring, holding for future sale or to maturity, and selling life insurance policies (such policies owned and held by Centurion are referred to herein as the "Life Insurance Policy Portfolio") and (b) SHPC's business of owning and operating a property and casualty insurance agency (the "Insurance Agency Business," and the cash-flowing assets of such

business, the "Agency Assets"). Centurion owns, directly or indirectly, a 77.5% controlling equity interest in SHPC.

The Notes will be secured by substantially all of the assets of Centurion, including (a) the Life Insurance Policy Portfolio and Centurion's 77.5% controlling, majority equity interest in SHPC [LLC] (collectively, the "Asset Portfolio")....

78. Although documentary evidence exists indicating that SHPC Holdings owned 75.56% of Defendant SHPC LLC at the time of all the 2019 PPE offerings, no evidence has been discovered by OFR indicating "Centurion owned, directly or indirectly, a 77.5% controlling equity interest in SHPC [LLC]" at the time of the use of the 2019 PPE offerings' PPMs. This apparent competing interest in the shares of Defendant SHPC LLC was not disclosed to investors.

79. Likewise, while shares of SHPC LLC were pledged by SHPC Holdings to secure a credit facility for SHPC LLC, and such were identified in a UCC-1 filing by a hedge fund creditor; and while purported pledges of shares by SHPC Holdings to Centurion may exist, UCC-1 filings have not been discovered by the OFR relating to those purported pledges. No credible evidence demonstrates that shares of SHPC LLC were actually transferred to Centurion such that Centurion could rightfully claim to investors that it owned any interest in SHPC LLC.

80. These false and misleading statements regarding the ownership of SHPC LLC by Centurion would be material to a reasonable investor's evaluation of the PPEs' integrated offering.

81. Additional misrepresentations and omissions were contained in the 2019 PPE offerings' PPMs, which referenced the face value of Centurion's life settlement policy portfolio ("\$430 million in life insurance policy fixed returns death benefits") without

reference to Centurion's liquidity problems and negative net worth by at least December 31, 2018. These PPMs also referenced Centurion's purported 77.5% equity stake in SHPC LLC (with "a total estimated enterprise value of \$381 million") without reference to SHPC LLC's material liquidity problems, growing debt obligations to a hedge fund, its deteriorating balance sheet, and the competing interest of SHPC Holdings in those same shares. Rather than providing meaningful financial disclosures regarding Centurion's true financial condition, the PPMs for the 2019 PPE offerings only offered prospective investors "upon request" a prior year's "unaudited" balance sheet and other limited, unaudited, interim financial information.

82. On information and belief, by FYE 2019, there were approximately \$289 million in outstanding notes with the life settlement portfolio and other owned assets having a fair market value attributed by the Defendants of approximately \$120 million, with overall liabilities significantly exceeding assets.

83. On information and belief, at present, there are more than \$300 million in outstanding notes with the life settlement portfolio and other owned assets having an estimated fair market value of only about \$110 million, with liabilities significantly exceeding assets by approximately \$190 million.

84. The Defendants' investment program operated through the SH Enterprise remains insolvent with liabilities far exceeding assets and the inability to pay obligations as they become due.

**MISREPRESENTATIONS AND OMISSIONS IN PPMs
REGARDING SECURITY INTERESTS**

85. The PPE securities offered and sold through the SH Enterprise were represented to be in the form of "secured" promissory notes. Prior to the 2019 PPE

offerings, each promissory note provided that the note would be secured by the assets of the respective PPE issuer:

The Notes will be secured by the Company's assets pursuant to the Security Agreement in the form attached hereto as Exhibit "D" and will be subject to a Collateral Agency Agreement in the form attached hereto as Exhibit "E." (PL 2016-5)

86. Prior to the 2019 PPE offerings, note investors executed a Collateral Agency Agreement when they purchased the notes. The Collateral Agency Agreement stated that Coral Gables Title and Escrow was to assure perfection of security interests in underlying life settlements and other insurance-related assets as the Collateral Agent. The Collateral Agency Agreement was entered between the investor and Coral Gables Title and Escrow. Prior to the 2019 PPE offerings, each PPE issuer also entered a related Security Agreement with Coral Gables Title and Escrow assigning the PPE's assets.

87. Coral Gables Title and Escrow was not an active Florida corporation between September 2015 and February 2021. No credible evidence indicates that the security interests in the collateral were perfected through a UCC filing by Coral Gables Title and Escrow during any period of time material to this Complaint.

88. For PL-2019 offerings, the PPMs no longer referenced that the notes would be secured by the PPE's assets, instead providing "Notes will be secured by the Asset Portfolio owned or controlled by Centurion." The Security Agreement referenced Centurion as the "debtor" and Coral Gables Title (a different entity than Coral Gables Title and Escrow) as the Collateral Agent for the Secured Party. Investors also entered a Collateral Agency Agreement with Coral Gables Title.

89. No credible evidence demonstrates that the Security Interests in the collateral were perfected through a UCC filing by Coral Gables Title during any time

period of time material to this Complaint. On information and belief, following default on payments by the PPEs, investors have been unable to have Coral Gables Title act on the purportedly secured assets or have the issuer, managing member of the issuer, or Centurion place assets in a liquidating trust as provided by the PPMs.

90. Investors relied on misrepresentations that the notes being purchased were in fact “secured promissory notes.” On information and belief, SH&S and their agents participating in the SH Enterprise were either aware that such security interests were not perfected, or were reckless or negligent by failing to confirm the existence of perfected security interests before claiming the notes were in fact secured. SH&S and their agents participating in the SH Enterprise, by identifying the notes as “secured,” obtained investor money and engaged in transactions, practices, and a course of business that operated as a fraud on the investors.

OTHER MISREPRESENTATIONS AND OMISSIONS TO PPE INVESTORS

91. The SH Enterprise’s sales agents, while offering and selling the notes, routinely made misrepresentations as to the merits and safe nature the investment, using such terms as “100% absolutely guaranteed” and “secure,” “totally safe,” “safer than money in the bank,” “not tied to the stock market,” and “better than FDIC.”

92. Sales agents also touted the “long-term track record” of the offerings and the represented the notes were “SECURED,” as provided in this example of a letter sent to a prospective investor:

It was a pleasure meeting you today! Over the years I have been told that prior to meeting me, my client's biggest concern was outliving their money. Due to the investments we offer, this concern has been eliminated. The fact is that we have cornered a niche market, and we have the long-term track record to prove it. I enclosed a client list (this is updated frequently) of clients who recently had their

investments mature. They have the same exact investment that I presented to you today -- ranging from \$50,000 to over \$10,000,000. Most have been with me for over 10 years, and they have always received their monthly interest payments and the return of their principle (plus accumulated interest) upon maturity. They are more than happy to speak with you.

The very best investment we offer is 7.25% fixed for 3 years (renewable). This way you would not have to worry about stock market losses, and your income would be fixed and certain. The best part is that the income this derives will cover your RMD. *Sometimes you just have to take a leap of faith and go with your gut. The paperwork I enclosed is what SECURED note paperwork looks like, and if you over-analyze it (paralysis by analysis); you will do nothing.* [emphasis added].

93. One of the Defendants' long-time and leading PPE sales agents (who, on information and belief, received \$1.3 million in compensation in 2019) routinely used the following symbol indicating safety as part of his letterhead, when conveying information about the PPE offerings. And, despite the fact the sales agent was not registered in any capacity with OFR, the sales agent claimed he "specializ[ed] in fixed investments and fixed income," and "Complementary Advisory Service Always [Are] Available."



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94. The Defendants either had knowledge of such tactics by their sales agents or the Defendants were willfully blind to their use. The Defendants further created this false impression of safety through their misleading PPMs, which misrepresented that these "secured promissory notes" were secured.

**THE COMMON ENTERPRISE,
UNJUST ENRICHMENT AND MISAPPROPRIATED FUNDS**

95. From at least February 2015, the SH Enterprise entities operated from common offices in Boca Raton, Florida; they shared common controlling ownership; they shared common officers; they shared employees; and they often comingled their illicit funds, and used those funds to pay various expenses incurred by the SH Enterprise, including marketing and advertising expenses, rent expenses, phone and computer expenses, legal expenses as well as salaries and bonuses to Enterprise employees, agents and/or affiliates.

96. SH&S received unjust enrichment from the commingled proceeds of the SH Enterprise's unlawful financing scheme in the form of salaries or other distributions through National Senior Insurance, Seeman Holtz Consulting, and other entities operated or controlled by SH&S.

97. SH&S further misappropriated investor funds by not using investor funds to operate purportedly "startup" investment entities as described in offering materials but instead using the proceeds to fund the SH Enterprise's operation and to make Ponzi-type payments to investors. Such misappropriations were used to create a false, deceptive and misleading appearance of potential profitability of the investment and to avoid disclosure of the true risks associated with the SH Enterprise's note program.

**THE ROLE OF THE CENTURION RELATED ENTITIES
IN THE SH ENTERPRISE**

98. Between 2011 and the present, SH&S also organized, controlled, and operated the Centurion Related Entities, which are comprised of Defendants Centurion ISG

Holdings, Centurion ISG Holdings II, Centurion ISG (Europe), Centurion ISG Services, Centurion Finance Group, Centurion SPV I, and Centurion SPV II.

99. On information and belief, the Centurion Related Entities received, held and transferred SH Enterprise funds and other assets and performed various functions in furtherance of the SH Enterprise securities fraud, including:

a. Centurion SPV I held certain of the life settlement policies purchased directly or indirectly with investor funds.

b. Centurion ISG Holdings is a 50% owner of GEMS, LLC, an entity which owns 100% of Centurion SPV I, and therefore directly or indirectly held or partly controlled certain life settlement policies held by Centurion SPV I.

c. Centurion ISG (Europe) was the original entity holding the beneficial ownership of the life settlement policies and provided certain tax benefits due to this structure. Centurion ISG (Europe) may continue to hold beneficial ownership.

d. Centurion SPV II took the place of Centurion ISG (Europe) and also is a party to a credit facility provided by a lender in excess of \$10 million, which now pays premiums for the life settlement portfolio. On information and belief, Centurion SPV II may hold legal or beneficial interests or entitlement rights in 70 or more life settlement directly or indirectly owned by Centurion.

e. Centurion ISG Services was set up to be the servicer to Centurion insuring premiums were paid, verifying coverage, and performing other administrative activities. Significant sums of investors' money moved through Centurion ISG Services bank accounts.

f. On information and belief, Centurion ISG Finance Group was created to pursue funds from individual investors similar to the activities associated with the use of PPEs.

**SALES BY DEFENDANT GRACE HOLDINGS
OF UNREGISTERED PROMISSORY NOTES
SECURED BY CENTURION OWNED INSURANCE POLICIES**

100. Defendant Grace Holdings, a Delaware limited liability company, was formed by Daniel Mahalic (“Mahalic”), on or about May 8, 2019. On information and belief, Mahalic was acquainted with Seeman prior to Grace Holdings’ formation and at times was listed on SHPC’s employee contact list. Unlike the earlier created PPE entities, Grace Holdings was not organized in Georgia and did not reference either Seeman or Holtz as being associated with the entity. On information and belief, Grace Holdings was created to join and raise capital for the SH Enterprise through the sale of promissory notes, under the direction and control of Mahalic and SH&S, to circumvent the regulatory scrutiny of the OFR.

101. Beginning in or about May 2019, soon after Grace Holdings’ formation, the SH Enterprise, through the same sales agents employed by National Senior Insurance, began offering and selling promissory note securities issued by Grace Holdings (“GH notes”) to investors in Florida and nationwide. As part of their job duties and employment for National Senior Insurance, and as indicated in meetings run by Holtz, the sales agents were expected to offer and sell GH notes to their customers. Sales agents were compensated by National Senior Insurance for offering and selling GH notes.

102. On information and belief, between May 2019 and December 2019, Grace Holdings sold at least \$25 million in unregistered GH notes to approximately 175 investors,

including Florida investors and investors who were not accredited. Numerous investors who had purchased notes from the Defendant PPEs also purchased GH notes. Similar to the notes issued by the Defendant PPEs, Grace Holdings issued GH notes to investors and then used the proceeds raised from the offering to provide funding to Centurion. On information and belief, Grace Holdings purportedly received preferred unit securities from Centurion in exchange for approximately \$25 million in investor funds provided to Centurion.

103. On information and belief, Schwartz participated in Grace Holdings' bank account opening activities, directed the deposit of funds received by Grace Holdings and the transfer of funds to Centurion, assisted with investor self-directed IRA account openings and money transfers that facilitated and resulted in GH note purchases, and was assisted in these activities by SH Enterprise administrative staff. Moreover, upon information and belief, Mahalic caused Grace Holdings' initial bank account checkbook to be overnighted to "Daniel Mahalic c/o Brian J. Schwartz, Centurion ISG Financials, 301 Yamato, Rd., Suite 2250, Boca Raton, FL 33431," at Seeman Holtz's corporate office location (and location of the SH Enterprise). Mahalic also directed that a \$100,000 check mistakenly mailed to Grace Holdings' registered agent, rather than to Grace Holdings, be overnighted to "Brian J. Schwartz, SHPC Holdings, 301 Yamato Rd., Suite 2250, Boca Raton, FL 33431."

104. The SH Enterprise's sales agents directly participated in the GH note offering and sales in various ways, similar to their activities in the other PPE offerings, including: introducing investors to the GH note offering, answering questions, assisting customer's with executing 1) a "Promissory Note" agreement, 2) a Security Agreement,

and 3) a “Collateral Assignment of Interest in Life Insurance Policy,” which purportedly secured the promissory note for the benefit of the investor; and obtaining and returning investors’ purchase checks to employees of National Senior Insurance or Centurion (who reported to Schwartz).

105. Grace Holdings did not utilize a PPM or similar document summarizing the key terms, merits and risks of the offering; however, the GH notes were generally similar to the PPE notes as to length of term and rate of return promised. In at least one instance, an investor then aged 94, after requesting more information from his sales agent regarding the offering, met with Holtz and two sales agents of National Senior Insurance in Holtz’s office in Boca Raton. The investor was told this was a prudent and safe investment and secured by a life settlement policy. Following Holtz’s explanation of the GH note investment, the investor purchased the note.

106. Each GH note identified a specific “Life Policy” for which Grace Holdings purportedly held a security interest. Each GH note provided that the policy was held by Wells Fargo Bank N.A. for the benefit of Defendant Centurion SPV II, which is the entity that manages policies for Centurion. To purportedly secure the GH note, Grace Holdings granted the investor a security interest in the life settlement policy via a Security Agreement. Grace Holdings also assigned its interest to the investor via a Collateral Assignment of Interest in Life Insurance Policy. The specific policy was referenced in several investors’ notes as being the policy subject to the Security Agreement and Collateral Assignment. In other investors’ notes, different policies owned by Centurion were identified. No other reference was provided in the note or related security interest documents concerning any other Centurion Related Entity, Centurion, Seeman, Holtz,

Schwartz or to the SH Enterprise's history and financial problems. On information and belief, each security interest in a policy that was assigned by Grace Holdings involved policies from Centurion's portfolio that purportedly secured the PPE notes as well as Centurion SPV II's credit facility, which facility funded policy premium payments beginning in early 2019. On information and belief, Centurion also provided a security interest in its assets to a hedge fund to facilitate a credit facility for SHPC LLC. GH note investors were not advised of this material information.

107. On information and belief, the sales agents were neither aware nor made aware of material information regarding the GH note offering, including information about Mahalic's background and experience (or lack thereof), the proposed use of funds, the relationship between the SH Enterprise, SH&S and Mahalic, and how Grace Holdings came to have a security interest in specific policies held by Centurion SPV II. Despite this lack of significant information, the sales agents recommended, offered and sold the GH notes to investors.

108. Investors in GH notes were deceived by the material misrepresentations, omissions, and/or other misleading or deceitful practices of Mahalic, SH&S, and the SH Enterprise associated with the offer and sale of the GH notes.

109. On information and belief, and at all times material to this Complaint, Grace Holdings was controlled by Mahalic and SH&S, and operated as part of the SH Enterprise.

110. The GH notes are securities as defined by Section 517.021(22), Florida Statutes. At all times material to this Complaint, the GH notes were not registered with the OFR.

111. Grace Holdings and Mahalic were not registered with the OFR as securities dealers, as associated persons of a securities dealer, as securities issuers, or as investment advisers or associated persons of an investment adviser pursuant to § 517.12, Florida Statutes, during any period of time material to this Complaint.

112. On information and belief, Mahalic and SH&S attempted to structure the GH note offering as distinct from the PPE note offerings to avoid registering the offering with the OFR and to circumvent the regulatory scrutiny of the OFR. The GH notes and the PPE notes are substantially similar in form, term, use of funds and issuer, and are part of the SH Enterprise's scheme of financing. The GH note and PPE note offerings are an unregistered-integrated offering.

113. The GH notes were not exempt from registration with OFR pursuant to § 517.051, Florida Statutes; neither were the notes offered and sold in transactions that were exempt from registration with OFR pursuant to § 517.061, Florida Statutes; nor were the notes federal covered securities, as defined by § 517.021(10), Florida Statutes.

**RECENT SALES BY DEFENDANT
PRIME SHORT TERM CREDIT INC.
OF PREFERRED STOCK**

114. Defendant PSTC was incorporated as a Delaware corporation on February 5, 2020. PSTC indicates in marketing materials and on its website (www.primestc.com) that it makes short term investments in real estate and other hard assets at a significant discount to fair market value. PSTC's corporate filings indicate that it does business from offices in Illinois and identify Rich Burgess ("Burgess") as PSTC's chief executive officer.

115. PSTC offers and sells securities in the State of Florida to Florida residents in the form of preferred stock ("PSTC stock") pursuant to a PPM. The PPM provides that

PSTC offers preferred stock in three Series: Series A (8.5% return), Series B (a distribution of 70% of profits allocated to the shareholder with a 9% preferred annualized rate of return); and Series C (10% return). The PPM indicates the offering is exempt from registration pursuant to “Regulation D Rule 506.” PSTC also filed a Form D, Notice of Exempt Offering of Securities, with the Securities and Exchange Commission, on or about June 8, 2020, indicating it was engaging in a Rule 506(b) offering. The Form D represented that PSTC had raised \$797,000 to date but paid zero commissions or finders fees. Burgess is listed as submitting the Form D as CEO of PSTC.

116. PSTC’s public website has referenced and continues to reference the existence of its investment program, its use of investor funds, and the opportunity to purchase “A, B, or C share class” and “once your institution submits investment, we begin calculating interest” and “monthly dividend (A/C Shares).”

117. In or around June 2020, Seeman and Holtz discussed the opportunity to offer and sell PSTC stock with the National Senior Insurance sales agents who had participated in the sale of PPE promissory notes. Sales agents were provided a PPM and advised that additional questions could be addressed by Burgess. Beginning at least by June 2020 and continuing through at least April 2021, Florida investors were solicited to invest in PSTC stock by the same sales agents used to sell the PPE and Grace Holdings promissory notes.

118. Bank records indicate that beginning in June 2020, PSTC opened a bank account, deposited investor funds, and began consistently forwarding funds to Centurion within days of receipt of new investor funds. Burgess is a signatory on PSTC’s checking account. On information and belief, PSTC sold approximately \$9.2 million in PSTC stock

to at least 80 investors, including Florida investors. At least 50 PSTC investors were prior investors in PPE notes. PSTC transferred at least \$7.1 million to Centurion between June 2020 and April 2021.

119. Certain PSTC stock investors indicate their original PPE note sales agent discussed the PSTC offering with the investor and referred the investor to PSTC, once the investor indicated interest in PSTC stock. One PPE sales agent admitted he was paid fees by PSTC, characterized as “finder’s fees,” for simply referring clients to PSTC. One investor indicated this same agent explained the features of the PSTC investment opportunity before referring the client to PSTC. PSTC bank records also indicate funds were transferred to several SH Enterprise sales agents.

120. On information and belief, PSTC joined the SH Enterprise in or around June 2020, through Burgess and SH&S, with the goal of providing a very similar form of financing as had been provided to the SH Enterprise by the PPEs and Grace Holdings. Rather than notes, investors received preferred shares of PSTC stock, which promised to pay dividends at approximately the same rates of return offered by the PPE and Grace Holdings offerings. The PSTC website also indicates it obtains security interests from parties it funds, similar to the purported security interests obtained by investors in the PPE and Grace Holdings notes.

121. Holtz advised a sales agent that Burgess was going to “partner” with Seeman and Holtz to provide liquidity to Seeman and Holtz’s life settlement business. The term “co-sponsored” fund was referenced by a sales agent in an email to Burgess requesting offering documents. Burgess responded with an email containing a PPM for PSTC as well as some documents for another investment fund Burgess indicated he operated. In another

instance, a Florida investor who had purchased PPE notes and \$500,000 in PSTC stock was advised by his SH Enterprise sales agent that Holtz could obtain an even higher rate of return if the investor purchased additional shares of PSTC stock. After speaking with Holtz, the investor purchased an additional \$400,000 in PSTC stock with a rate of return of 13%, which was 2% higher than the rate provided with his first purchase. In both instances, the rate was higher than that identified in the PPM provided to the investor.

122. On information and belief, Burgess and SH&S have operated and controlled PSTC and the PSTC stock program that raised funds for the SH Enterprise and paid fees to SH Enterprise sales agents.

123. The SH Enterprise sales agents, Holtz, and PSTC, through Burgess, failed and omitted to inform investors that PSTC would utilize the investment proceeds to provide funding to Centurion and pay commissions or fees to the SH Enterprise sales agents. These parties also failed and omitted to disclose Centurion's financial position and the true nature of security interests purportedly to be obtained by PSTC per its website. In one instance, Burgess falsely advised a prospective Florida investor that "...Our strategy is nearly entirely backed by real estate, and to such levels that we'd make more money if an individual or company doesn't pay us...Our strategy is very safe and very boring in nature..."

124. The PSTC stock as described herein are securities as defined by § 517.021(22), Florida Statutes. At all times material to this Complaint, the PSTC shares were not registered with the OFR.

125. On information and belief, Burgess and SH&S structured the PSTC stock offering as distinct from the PPE and Grace Holdings note offerings to avoid registering

the offering with the OFR and to circumvent the regulatory scrutiny of the OFR. The PSTC stock and the PPE notes are substantially similar in form, term, use of funds and issuer, and are part of the SH Enterprise's scheme of financing. The PSTC stock and the PPE and Grace Holdings note offerings are an unregistered-integrated offering.

126. In connection with the offer and sale of PSTC stock, PSTC and the SH Enterprise, through Mahalic, SH&S, and the SH Enterprise's sales agents, made misrepresentations or omissions to investors about the relationship between PSTC and the SH Enterprise; omitted to disclose the SH Enterprise's fraudulent enterprise, history, and financial condition; and misrepresented or omitted to disclose the intended use of funds, which funds were quickly transferred to the SH Enterprise rather than being made in investments "backed by real estate." PSTC, SH&S, and the other SH Enterprise Defendants obtained investor money from the sale of PSTC stock through these misrepresentations and omissions, and engaged in transactions, practices, and a course of business that operated as a fraud on the investors.

127. At all times material to this Complaint, PSTC was not registered with the OFR as a securities dealer or issuer. PSTC has used and paid unregistered sales agents, who are not registered as associated persons of a securities dealer, to offer and sell PSTC stock. PSTC has acted as an unregistered securities dealer in violation of § 517.12(1), Florida Statutes.

128. PSTC has engaged in general solicitation of investors in connection with its sale of PSTC stock. The shares were not exempt from registration with OFR pursuant to § 517.051, Florida Statutes; neither were the shares offered and sold in transactions that

were exempt from registration with OFR pursuant to § 517.061, Florida Statutes; nor were the shares federal covered securities, as defined by § 517.021(10), Florida Statutes.

FALSE AND MISLEADING STATEMENTS TO OFR

129. Seeman and Holtz, in connection with a matter within the jurisdiction of the OFR, falsely maintained to OFR that they personally made all sales of securities to PPE investors.

130. Seeman and Holtz, in connection with a matter within the jurisdiction of the OFR, falsely maintained to OFR that all investors in the PPE entities were accredited investors.

131. Seeman, Holtz and Schwartz, in connection with a matter within the jurisdiction of the OFR, falsely maintained to OFR in 2019 that all note sales and rollover transactions by their affiliated entities were terminated.

COUNT I

SECURITIES FRAUD: § 517.301(1)(a)1, 2, 3

(as to All Defendants except Grace Holdings and PSTC)

132. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

133. Section 517.301, Florida Statutes, entitled *Fraudulent transactions; falsification or concealment of facts*, provides at section (1)(a)1, 2, and 3, the following:

(1) It is unlawful and a violation of the provisions of this chapter for a person:

(a) In connection with the rendering of any investment advice or in connection with the offer, sale, or purchase of any investment or security, including any security exempted under the provisions of s. 517.051 and including any security sold in a transaction exempted under the provisions of s. 517.061, directly or indirectly:

1. To employ any device, scheme, or artifice to defraud;
2. To obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

3. To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

134. As to Count I, the Defendants (not including Defendants Grace Holdings and PSTC), and Holtz, at the direction and control of SH&S, and through the SH Enterprise in Florida, did directly and indirectly, and in connection with the offer and sale of PPE notes as investments or securities did: employ various devices, schemes, or artifice to defraud investors; obtain money or property by means of an untrue statement of a material fact or omissions to state a material fact; and engage in transactions, practices, or a course of business that operates or operated as a fraud or deceit upon the investors; a violation of each form of fraud for each offer and sale of an investment or security in this matter.

135. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.301(1)(a)1, 2, 3, Florida Statutes.

136. Pursuant to § 517.191, the OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT II

SALE OF SECURITIES BY UNREGISTERED DEALER,
ISSUER OR ASSOCIATED PERSON: § 517.12(1)
(as to All Defendants except Grace Holdings and PSTC)

137. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

138. Section 517.12(1), Florida Statutes, entitled *Registration of dealers, associated persons, investment advisers, and branch offices*, provides:

(1) No dealer, associated person, or issuer of securities shall sell or offer for sale any securities in or from offices in this state, or sell securities to persons in this state from offices outside this state, by mail or otherwise, unless the person has been registered with the office pursuant to the provisions of this section. The office shall

not register any person as an associated person of a dealer unless the dealer with which the applicant seeks registration is lawfully registered with the office pursuant to this chapter.

139. As to Count II, the Defendants (not including Defendants Grace Holdings and PSTC), and Holtz, at the direction and control of SH&S, and through the SH Enterprise, offered and sold PPE notes, from offices within Florida or to persons within Florida, on at least 3,000 occasions, without being properly registered with the OFR or exempt from such registration.

140. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.12(1), Florida Statutes.

141. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT III
ACTING AS UNREGISTERED INVESTMENT ADVISERS
OR ASSOCIATED PERSONS: § 517.12(4)
(as to All Defendants except Grace Holdings and PSTC)

142. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

143. Section 517.12(4), Florida Statutes, entitled *Registration of dealers, associated persons, investment advisers, and branch offices*, provides:

(4) No investment adviser or associated person of an investment adviser or federal covered adviser shall engage in business from offices in this state, or render investment advice to persons of this state, by mail or otherwise, unless the federal covered adviser has made a notice-filing with the office pursuant to s. 517.1201 or the investment adviser is registered pursuant to the provisions of this chapter and associated persons of the federal covered adviser or investment adviser have been registered with the office pursuant to this section. The office shall not register any person or an associated person of a federal covered adviser or an investment adviser unless the federal covered adviser or investment adviser with which the applicant

seeks registration is in compliance with the notice-filing requirements of s. 517.1201 or is lawfully registered with the office pursuant to this chapter. A dealer or associated person who is registered pursuant to this section may render investment advice upon notification to and approval from the office.

144. As to Count III, the Defendants (not including Defendants Grace Holdings and PSTC), and Holtz, at the direction and control of SH&S, and through the SH Enterprise, rendered investment advice on at least 1,000 occasions in connection with the offer and sale of PPE notes, GH notes and PSTC stock, from offices within Florida, or to persons within Florida, by mail or otherwise. On all such occasions, Defendants were not notice-filed as investment advisers with OFR, were not lawfully registered as associated persons of federal covered advisers, and were not registered with the OFR as investment advisers or associated persons of investment advisers, nor were they exempt from such registration.

145. By reason of the foregoing, the Defendants in this Count and Holtz violated, and unless enjoined, are likely to continue to violate, § 517.12(4), Florida Statutes.

146. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT IV

SALE OF UNREGISTERED SECURITIES: § 517.07(1) (as to All Defendants except Grace Holdings and PSTC)

147. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

148. The note offering and sale by each Defendant PPE were not separate and distinct offerings but one integrated scheme of financing directed and controlled by Seeman, Holtz, and Schwartz as part of the SH Enterprise.

149. Section 517.07(1), Florida Statutes, entitled *Registration of securities*, provides:

(1) It is unlawful and a violation of this chapter for any person to sell or offer to sell a security within this state unless the security is exempt under s. 517.051, is sold in a transaction exempt under s. 517.061, is a federally covered security, or is registered pursuant to this chapter.

150. As to Count IV, the Defendants (not including Defendants Grace Holdings and PSTC), and Holtz, at the direction and control of SH&S, and through the SH Enterprise, offered and sold unregistered PPE note securities within Florida or from Florida on at least 3,000 occasions, which securities and securities transactions were not exempt from registration nor involved a federally covered security.

151. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.07(1), Florida Statutes.

152. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT V

FALSE STATEMENTS TO THE OFR: § 517.301

(as to Defendants Seeman and Schwartz)

153. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

154. Section 517.301(1)(c), Florida Statutes, provides:

(1) It is unlawful and a violation of the provisions of this chapter for a person:

(c) In any matter within the jurisdiction of the office, to knowingly and willfully falsify, conceal, or cover up, by any trick, scheme, or device, a material fact, make any false, fictitious, or fraudulent statement or representation, or make or use any false writing or document, knowing the same to contain any false, fictitious, or fraudulent statement or entry.

155. Defendants Seeman and Schwartz, while in Florida, and Holtz, while in Florida, knowingly and willfully falsified, concealed, covered up, by trick, scheme or device, material facts and made false statements and writings concerning matters under investigation by the OFR.

156. By reason of the foregoing, the Defendants in this Count and Holtz violated, and unless enjoined, are likely to continue to violate, § 517.12(4), Florida Statutes.

157. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants Seeman and Schwartz and other legal and equitable relief against Defendants Seeman and Schwartz and the Estate of Holtz requested below.

COUNT VI
SECURITIES FRAUD: § 517.301(1)(a)1, 2, 3
(as to All Defendants except PSTC)

158. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

159. Section 517.301, Florida Statutes, entitled *Fraudulent transactions; falsification or concealment of facts*, provides at section (1)(a)1, 2, and 3, the following:

- (1) It is unlawful and a violation of the provisions of this chapter for a person:
 - (a) In connection with the rendering of any investment advice or in connection with the offer, sale, or purchase of any investment or security, including any security exempted under the provisions of s. 517.051 and including any security sold in a transaction exempted under the provisions of s. 517.061, directly or indirectly:
 1. To employ any device, scheme, or artifice to defraud;
 2. To obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
 3. To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

160. As to Count VI, the Defendants (not including Defendant PSTC), and Holtz, at the direction and control of Mahalic and SH&S, and through the SH Enterprise in Florida, did directly and indirectly, and in connection with the offer and sale of GH notes as investments or securities did: employ various devices, schemes, or artifice to defraud investors; obtain money or property by means of an untrue statement of a material fact or omissions to state a material fact; and engage in transactions, practices, or a course of business that operates or operated as a fraud or deceit upon the investors; a violation of each form of fraud for each offer and sale of an investment or security in this matter.

161. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.301(1)(a)1, 2, 3, Florida Statutes.

162. Pursuant to § 517.191, the OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT VII
SALE OF SECURITIES BY UNREGISTERED DEALER,
ISSUER OR ASSOCIATED PERSON: § 517.12(1)
(as to All Defendants except PSTC)

163. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

164. Section 517.12(1), Florida Statutes, entitled *Registration of dealers, associated persons, investment advisers, and branch offices*, provides:

(1) No dealer, associated person, or issuer of securities shall sell or offer for sale any securities in or from offices in this state, or sell securities to persons in this state from offices outside this state, by mail or otherwise, unless the person has been registered with the office pursuant to the provisions of this section. The office shall not register any person as an associated person of a dealer unless the dealer with which the applicant seeks registration is lawfully registered with the office pursuant to this chapter.

165. As to Count VII, the Defendants (not including Defendant PSTC), and Holtz, at the direction and control of Mahalic and SH&S, and through the SH Enterprise, offered and sold GH notes, from offices within the State of Florida or to persons within the State of Florida, on at least 175 occasions, without being properly registered with the OFR or exempt from such registration.

166. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.12(1), Florida Statutes.

167. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT VIII
SALE OF UNREGISTERED SECURITIES: § 517.07(1)
(as to All Defendants except PSTC)

168. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

169. The GH note offering and sale was not a separate and distinct offering from the PPE note offerings but one integrated scheme of financing directed and controlled by SH&S with their agents as part of the SH Enterprise.

170. Section 517.07(1), Florida Statutes, entitled *Registration of securities*, provides:

(1) It is unlawful and a violation of this chapter for any person to sell or offer to sell a security within this state unless the security is exempt under s. 517.051, is sold in a transaction exempt under s. 517.061, is a federally covered security, or is registered pursuant to this chapter.

171. As to Count VIII, the Defendants (not including Defendant PSTC), and Holtz, at the direction and control of Mahalic and SH&S, and through the SH Enterprise, offered and sold unregistered GH note securities within the state of Florida or from Florida on at least 175 occasions, which securities and securities transactions were not exempt from registration nor involved a federally covered security.

172. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.07(1), Florida Statutes.

173. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT IX
SECURITIES FRAUD: § 517.301(1)(a)1, 2, 3
(as to All Defendants)

174. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

175. Section 517.301, Florida Statutes, entitled *Fraudulent transactions; falsification or concealment of facts*, provides at section (1)(a)1, 2, and 3, the following:

- (1) It is unlawful and a violation of the provisions of this chapter for a person:
- (a) In connection with the rendering of any investment advice or in connection with the offer, sale, or purchase of any investment or security, including any security exempted under the provisions of s. 517.051 and including any security sold in a transaction exempted under the provisions of s. 517.061, directly or indirectly:
1. To employ any device, scheme, or artifice to defraud;
 2. To obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
 3. To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

176. As to Count IX, the Defendants, and Holtz, at the direction and control of Burgess and SH&S, and through the SH Enterprise in Florida, did directly and indirectly, and in connection with the offer and sale of PSTC stock as investments or securities did: employ various devices, schemes, or artifice to defraud investors; obtain money or property by means of an untrue statement of a material fact or omissions to state a material fact; and engage in transactions, practices, or a course of business that operates or operated as a fraud or deceit upon the investors; a violation of each form of fraud for each offer and sale of an investment or security in this matter.

177. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.301(1)(a)1, 2, 3, Florida Statutes.

178. Pursuant to § 517.191, the OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT X
SALE OF SECURITIES BY UNREGISTERED DEALER,
ISSUER OR ASSOCIATED PERSON: § 517.12(1)
(as to All Defendants)

179. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

180. Section 517.12(1), Florida Statutes, entitled *Registration of dealers, associated persons, investment advisers, and branch offices*, provides:

(1) No dealer, associated person, or issuer of securities shall sell or offer for sale any securities in or from offices in this state, or sell securities to persons in this state from offices outside this state, by mail or otherwise, unless the person has been registered with the office pursuant to the provisions of this section. The office shall not register any person as an associated person of a dealer unless the dealer with which the applicant seeks registration is lawfully registered with the office pursuant to this chapter.

181. As to Count X, the Defendants, and Holtz, at the direction and control of Burgess and SH&S, and through the SH Enterprise in Florida, offered and sold PSTC stock, from offices within Florida or to persons within the Florida, on at least 80 occasions, without being properly registered with the OFR or exempt from such registration.

182. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.12(1), Florida Statutes.

183. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT XI
SALE OF UNREGISTERED SECURITIES: § 517.07(1)
(as to All Defendants)

184. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

185. The PSTC stock offering and sale was not a separate and distinct offering from the PPE note offerings but one integrated scheme of financing directed and controlled by SH&S with their agents, either knowingly, recklessly or carelessly, as part of the SH Enterprise.

186. Section 517.07(1), Florida Statutes, entitled *Registration of securities*, provides:

(1) It is unlawful and a violation of this chapter for any person to sell or offer to sell a security within this state unless the security is exempt under s. 517.051, is sold in a transaction exempt under s. 517.061, is a federally covered security, or is registered pursuant to this chapter.

187. As to Count XI, the Defendants, and Holtz, at the direction and control of Burgess and SH&S, and through the SH Enterprise, offered and sold unregistered PSTC stock securities within Florida or from Florida on at least 80 occasions, which securities and securities transactions were not exempt from registration nor involved a federally covered security.

188. By reason of the foregoing, the Defendants in this Count and Holtz violated and unless enjoined, may continue to violate § 517.07(1), Florida Statutes.

189. Pursuant to § 517.191, Plaintiff OFR is entitled to an injunction against the Defendants in this Count and other legal and equitable relief against these Defendants and the Estate of Holtz requested below.

COUNT XII
ACTION TO ENJOIN DEFENDANTS
AND RELIEF DEFENDANTS AS AUTHORIZED BY § 517.191(1)

190. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

191. Section 517.191(1), Florida Statutes, entitled *Injunctions to restrain violations*, provides:

(1) When it appears to the office, either upon complaint or otherwise, that a person has engaged or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may investigate; and whenever it shall believe from evidence satisfactory to it that any such person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may, in addition to any other remedies, bring action in the name and on behalf of the state against such person and any other person concerned in or in any way participating in or about to participate in such practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter to enjoin such person or persons from continuing such fraudulent practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter. In any such court proceedings, the office may apply for, and on due showing be entitled to have issued, the court's subpoena requiring forthwith the appearance of any defendant

and her or his employees, associated persons, or agents and the production of documents, books, and records that may appear necessary for the hearing of such petition, to testify or give evidence concerning the acts or conduct or things complained of in such application for injunction. In such action, the equity courts shall have jurisdiction of the subject matter, and a judgment may be entered awarding such injunction as may be proper.

192. As alleged in Counts I through XI, the Defendants have engaged in acts and practices in violation of Chapter 517, Florida Statutes.

193. The Relief Defendants are “concerned in” the practices of the Defendants and the Defendants’ violative acts and practices by having received portions of the ill-gotten gains or other funds generated by the Defendants’ scheme, misrepresentations, omissions, and registration violations.

194. Pursuant to § 517.191(1), the OFR is entitled to the issuance of an injunction against each Defendant and each Relief Defendant to enjoin such persons from further violations, and as requested in more detail below.

COUNT XIII
APPLICATION FOR APPOINTMENT OF RECEIVER
AS AUTHORIZED BY § 517.191(2)

195. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

196. Section 517.191(2), Florida Statutes, provides:

(2) In addition to all other means provided by law for the enforcement of any temporary restraining order, temporary injunction, or permanent injunction issued in any such court proceedings, the court shall have the power and jurisdiction, upon application of the office, to impound and to appoint a receiver or administrator for the property, assets, and business of the defendant, including, but not limited to, the books, records, documents, and papers appertaining thereto. Such receiver or administrator, when appointed and qualified, shall have all powers and duties as to custody, collection, administration, winding up, and liquidation of said property and business as shall from time to time be conferred upon her or him by the court. In any such action, the court may issue orders and decrees staying all pending suits and enjoining any further suits affecting the receiver's or administrator's custody or

possession of the said property, assets, and business or, in its discretion, may with the consent of the presiding judge of the circuit require that all such suits be assigned to the circuit court judge appointing the said receiver or administrator.

197. Plaintiff herein applies for and requests the appointment of a Receiver over the assets of the entity Defendants. The facts set forth in this Complaint detail a fraudulent securities offering and enterprise having attributes of a Ponzi scheme. The Defendants have continue operating this illicit scheme obtaing additional investor funds through repeated misrepresentations and omissions, through unregistered sales agents, and through the sale of unregistered securities.

198. Appointment of a Receiver under the direction of this Court will also facilitate the location and protection of remaining assets and will facilitate disgorgement of any ill-gotten gains.

199. Additionally, appointment of a Receiver will assist both in preserving documents that are material and relevant to this matter, and in preventing the spoliation of evidence.

COUNT XIV
APPLICATION FOR RESTITUTION ORDER
AGAINST THE DEFENDANTS AS AUTHORIZED BY § 517.191(3)

200. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

201. Section 517.191(3), Florida Statutes, provides as follows:

(3) In addition to any other remedies provided by this chapter, the office may apply to the court hearing this matter for an order of restitution whereby the defendants in such action shall be ordered to make restitution of those sums shown by the office to have been obtained by them in violation of any of the provisions of this chapter. Such restitution shall, at the option of the court, be payable to the administrator or receiver appointed pursuant to this section or directly to the persons whose assets were obtained in violation of this chapter.

202. The OFR herein applies and requests orders of restitution against each of the Defendants and the Estate of Holtz of sums obtained in violation of chapter 517, Florida Statutes, as identified in Counts I – XI, in amounts to be established at a later time.

COUNT XV
APPLICATION FOR ORDER IMPOSING CIVIL PENALTIES AGAINST
THE DEFENDANTS AS AUTHORIZED BY § 517.191(4)

203. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

204. The OFR herein applies and requests orders imposing civil penalties against each of the Defendants for violations of chapter 517, Florida Statutes.

205. Section 517.191(4), Florida Statutes, provides as follows:

(4) In addition to any other remedies provided by this chapter, the office may apply to the court hearing the matter for, and the court shall have jurisdiction to impose, a civil penalty against any person found to have violated any provision of this chapter, any rule or order adopted by the commission or office, or any written agreement entered into with the office in an amount not to exceed \$10,000 for a natural person or \$25,000 for any other person, or the gross amount of any pecuniary gain to such defendant for each such violation other than a violation of s. 517.301 plus \$50,000 for a natural person or \$250,000 for any other person, or the gross amount of any pecuniary gain to such defendant for each violation of s. 517.301. All civil penalties collected pursuant to this subsection shall be deposited into the Anti-Fraud Trust Fund.

206. Plaintiff herein applies and requests orders of civil penalties against each of the Defendants in an amount per violation to be reasonably determined by the Court given the nature and gravity of the violations, the likelihood of future violations, the harm caused to investors, the deterrence effect on Defendants and any potential violators in the future, and any other factors the Court deems relevant.

COUNT XVI
EQUITABLE ACTION FOR ACCOUNTING
AND DISGORGEMENT OF ILL-GOTTEN GAINS
AND UNJUST ENRICHMENT

207. Paragraphs 1 through 131 are hereby realleged and are incorporated herein by reference.

208. Section 517.191(1), Florida Statutes, provides, in addition to injunction authority identified in Count XII, that "...In such action, the equity courts shall have jurisdiction of the subject matter..."

209. Investors provided funds to the Defendants in connection with the purchase of securities issued by or through the Defendants and the SH Enterprise.

210. Defendants provided investment advice, acted as unregistered securities issuers and dealers, sold unregistered securities, and engaged in securities fraud in connection with these sales, in violation of chapter 517, Florida statutes.

211. Investors funds were received by the Defendants in connection to violations of chapter 517, Florida Statutes.

212. Defendants and Relief Defendants, directly or indirectly, have received ill-gotten gains, misappropriations or unjust enrichment from certain Defendants in connection to the receipt of these investors' funds and in violations of chapter 517, Florida Statutes.

213. The exact amount of funds received and the exact amount of funds that may have been returned by the Defendants and Relief Defendants are unknown to the Plaintiff.

214. It would be inequitable for such amounts to remain with the Defendants and Relief Defendants as ill-gotten gains, misappropriations, and unjust enrichments, rather than being repaid to the investors, the rightful owners of these funds.

215. Plaintiff requests an order of the court directing the Defendants and Relief Defendants to account for all funds received directly or indirectly from the Defendants or agents of the Defendants, since 2013, and to identify the basis for such receipts.

216. Plaintiff requests an order of the court requiring Defendants and Relief Defendants to disgorge all ill-gotten gains, misappropriations, and unjust enrichment received directly or indirectly from the Defendants or agents of the Defendants, since 2013.

RELIEF REQUESTED

WHEREFORE, Plaintiff OFR respectfully requests that this Court utilize its legal and equitable powers as follows:

A. Enter a temporary and permanent injunction against all Defendants and Relief Defendants, and each of their agents, servants, employees and attorneys, and against any other person concerned in, or in any way participating in, or about to participate with them in the offer or sale of any security or investment, in violation of §§ 517.301, 517.12, and 517.07, Florida Statutes, and from any act or acts in furtherance thereof or in violation of Chapter 517, Florida Statute.

B. Appoint a Receiver over the assets of all entity Defendants.

C. Enter an order prohibiting the Defendants from accepting or depositing additional funds.

D. Enter an order requiring all Defendants and the Relief Defendants to submit an accounting of investor funds and other assets, including life settlements and insurance-related assets, received or transferred, since 2010, directly or indirectly from or to the Defendants, the Relief Defendants or from any

individual, entity or party in any way participating in the violations or in any way benefitting from the Defendants' violations.

E. Enter an order prohibiting the alteration or destruction of relevant documents, notes, emails, electronic records, computer equipment, and hard drives.

F. Enter an order requiring the repatriation of all assets which may be located abroad, which were obtained or derived from the above-described unlawful securities transactions, and the transfer such to the Receiver.

G. Enter an order freezing the assets of the Defendants and Relief Defendant Estate of Eric Charles Holtz, including all assets held for the direct or indirect benefit, or subject to the direct or indirect control, of the Defendants and the Relief Defendant pending a showing to the satisfaction of the Court that each Defendant and the Relief Defendant has satisfied the conditions identified in A through F herein, has returned all assets to the Receiver, and does not directly or indirectly retain control of Receivership assets or ill-gotten gains.

H. Enter an order allowing expedited discovery with regard to any issues arising under A through G above.

I. Enter an order requiring the Defendants to pay restitution equal to the total amount of investor funds received.

J. Enter an order imposing civil penalties on the Defendants pursuant to Section 517.191(4), Florida Statutes.

K. Enter an order requiring the Defendants and Relief Defendants to disgorge all ill-gotten gains, misappropriations, and unjust enrichment received.

L. Enter an order directing the Estate of Eric Charles Holtz to advise the Court as to whether the decedent left a will or died intestate, whether the will identified a Personal Representative, and if so, the identity and contact information, and the status and court location of any probate filing or proceeding.

M. Enter such other equitable orders as fair and appropriate.

Respectfully submitted,

Dated: 07/12/2021

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